Daily Report

East Europe

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President Writes to Carrington on SFRY Crisis

AU0609081091 Tirana ATA in English 0810 GMT 6 Sep 91

[Text] Tirana, September 6 (ATA)—The president of the Republic of Albania, Ramiz Alia, sent a letter to Lord Peter A.R. Carrington, who will chair the peace conference for Yugoslavia. The letter says:

Allow me to formulate the best wishes for the success of your noble duty as chairman of the peace conference for Yugoslavia. Albania sincerely hails this meeting and considers it as an important step to the solution of the Yugoslav crisis.

Albania, the letter points out, since the start of the Yugoslav crisis, has joined the desire and efforts of the European countries, to solve it by means of dialogue and peace. I would like to underline that the Yugoslav crisis is a double worry for Albania, because over 3 million ethnic Albanians live in multinational Yugoslavia, which account for the third population in numbers in the federation following the Serbs and Croatians.

The Albanians in Yugoslavia have always demanded to be equal participants in determining the future of Yugoslavia. Being convinced in your committment in defence of the peoples' rights, please have the kindness to forward to the parties participating in this conference need of the Albanians to take part in it and the correct treatment of their problem in Yugoslavia.

Albania considers this demand as indispensable, because there can be no full and stable solution to the Yugoslav crisis without the Albanians participating in the peace conference for Yugoslavia, the Albanian president writes in conclusion in the letter addressed to Lord Carrington.

Former Leader Manush Myftiu Arrested

AU0509130991 Tirana ATA in English 0831 GMT 4 Sep 91

[Text] Tirana, September 4 (ATA)—The newspaper ZERI I POPULLIT writes that, according to the General Prosecutors Office of the Republic of Albania, on August 31 1991 on Saturday Manush Myftiu, former vice chairman of the Council of Ministers and former member of the political bureau of the CC [Central Committee] of the PLA [Party of Labor of Albania] was arrested. The same day Kico Buxheli, former director of the Receptions Department was also arrested. As is known, the paper says, Manush Myftiu was expelled from the ranks of the PLA in its 10th Congress on the request of the delegates. The motive of his being arrested is not officially made known. In the General Investigation Office we learned that the said persons have been arrested according to the laws in power and not because this has been demanded in the DP (Democratic Party) rallies, as the newspaper SINDIKALISTI of September 2 1991. [sentence as received] ZERI I POPULLIT says in conclusion that the law is for all and all the people are equal before it.

Regarding this report, the newspaper RILINDJA DEMOKRATIKE writes that on August 31 the former member of the Political Bureau of the PLA Manush Myftiu, one of the closest collaborators of Enver Hoxha, was arrested. The newspaper underlines that the punishment of the communist pashas started with this hangman of the Enverian dictatorship. Their list is long. We want to show ourselves and the world that we have a legal state, that we want to set up a new genuinely democratic order, and it is indispensable to bring all these persons to court.

Poll: Ismail Kadare 'Most Popular Personality'

AU0509142391 Tirana ZERI I RINISE in Albanian 24 Aug 91 p 1

[Opinion poll conducted by ZERI I RINISE Editorial Board: "Who Is the Country's Most Popular Personality?"]

[Text]

The Distinguished Writer Ismail Kadare Well in the Lead

Our paper's Editorial Board recently organized the first public opinion poll in Albania with the question: "Who is the country's most popular personality?" A total of 373 persons of various ages and categories were asked to express their opinions on this question.

The results of our poll are as follows:

1. Ismail Kadare: 31 percent or 116 votes
2. Sali Berisha: 17 percent or 66 votes
3. Ramiz Alia: 16 percent or 59 votes
4. Neritan Ceka: 8 percent or 29 votes
5. Kastriot Islami: 6 percent or 23 votes
6. Prec Zogaj: 5 percent or 19 votes
7. Fatos Nano: 4 percent or 15 votes
8. Dritero Agolli: 4 percent or 15 votes
9. Skender Gjinushi: 1.8 percent or 7 votes
10. Gramoz Pashko: 1.6 percent or 6 votes
11. Neshat Tozaj: 1.6 percent or 6 votes
12. Ylli Bufi: 0.5 percent or 2 votes
13. Azem Hajdari: 0.5 percent or 2 votes
14. Rexhep Mejdani: 0.5 percent or 2 votes
15. Leka Zogu: 0.5 percent or 2 votes
16. Sabri Godo: 0.5 percent or 2 votes
17. Aleksander Meksi: 0.26 percent or 1 vote
18. Manol Konomi: 0.26 percent or 1 vote
19. Eduard Selami: 0.26 percent or 1 vote

The Editorial Board adds that this is no doubt an approximate result because only the capital city was polled. In the future, opinion polls will be organized nationwide.

To assist further research, the Editorial Board is ready to place the file of completed questionnaires at the disposal of students and welcomes suggestions for the organization of future opinion polls.

Zhelev To Request Documents From KGB, CPSU

AU0509173991 Sofia BTA in English 1600 GMT 5 Sep 91

[Report by Panayot Denev: "President Zhelev Will Request KGB Secrets Concerning Bulgaria"]

[Text] Bonn, September 5 (BTA)—In the next few days Bulgarian President Zhelyu Zhelev will officially request from Mr. Mikhail Gorbachev and Mr. Boris Yeltsin all KGB and CPSU documents concerning Bulgaria. Dr. Zhelev said this before journalists in Bonn today at the end of his visit to Germany.

At the press conference Dr. Zhelyu Zhelev said that he is against the banning of the Bulgarian Socialist Party [BSP], because it has not performed any anti-constitutional acts and has not taken part in an attempted coup. But these days the president will insist that the BSP restores to the state all property it has acquired illegally before the elections.

In response to a question Dr. Zhelev confirmed his conviction that if the BSP wins the parliamentary elections on October 13 this would have an adverse effect on Bulgaria's image in the world and will lead to internal destabilization. But he added that according to him the BSP is hardly likely to win the elections.

President Zhelev Concludes Visit to Germany

AU0509173791 Sofia BTA in English 1704 GMT 5 Sep 91

[Report by Panayot Denev: "Zhelev Ends Visit to Germany"]

[Text] Bonn, September 5 (BTA)—President of Bulgaria Dr. Zhelyu Zhelev today conferred with German Federal Chancellor Dr. Helmut Kohl at the end of his four-day visit to Germany.

"What we were promised here exceeded our expectations. We are going home absolutely pleased," Dr. Zhelev told the press after the session of talks.

Asked to elaborate, he said that the chancellor had promised above all more private German investment in the Bulgarian economy which, as Dr. Kohl assured him, would be backed by the Hermes Association, established recently to support the risk of those companies and financial institutions which are ready to cooperate with Eastern Europe. Germany assured Bulgaria that it would second its bids for full membership in the Council of Europe and for association with the European Community and its efforts to expand its cooperation with NATO. German capital and experience will help the forthcoming privatization process in Bulgaria. Germany expressed readiness to help reschedule Bulgaria's foreign debt in the part owed to German banks.

Answering the question of a Turkish correspondent to Bonn, President Zhelev explained in detail the problems and speculation about the denied court registration of the Rights and Freedoms Party. He believes this will be no obstacle to the participation of Bulgarian Turks in the forthcoming elections and even less so to the election to parliament of the candidates of their choice. Still, he added his personal view that a democratic constitution should not contain a provision restricting the right to form political parties on an ethnic basis.

The president confirmed the complete identity of the Bulgarian and the German position on the situation in Yugoslavia. He voiced serious concern over the risk of a Yugoslav "lebanization" but at the same time said he trusted the ability of the European Community and of the West in general to restrain Serbia's chauvinism above all by economic pressure.

At a meeting at the Bundestag Foreign Policy Committee this morning, President Zhelev fielded questions from spokesmen of the different parliamentary factions. The MP's inquired about the views which the political forces in Bulgaria take of the Turkish-speaking minority, of developments in Yugoslavia and the Soviet Union, of the defects in the new economic laws etc. Dr. Zhelev gave detailed explanations. He conferred with the president of the Bundestag Prof. Dr. Rita Suessmuth.

Mr. Johannes Rau, minister president of the Federal State of North Rhine-Westphalia, as Dr. Zhelev's host at noon.

Late in the evening, following a cordial meeting with many Bulgarian expatriates in Germany, the president and Mrs. Zhelev and their party left for Sofia.

Zhelev Returns

AU0509204291 Sofia Khorizont Radio Network in Bulgarian 2000 GMT 5 Sep 91

[Text] The aircraft with the Bulgarian delegation on board, headed by President Zhelyu Zhelev, which paid an official visit to Germany, landed at Sofia Airport a few minutes ago.

As the Bulgarian president stated at his news conference in Bonn, the success of the visit exceeds all expectations. It will be reflected by increased investments of German companies in Bulgaria, by support for our country's integration with European structures, by assistance and exchange in the field of privatization, and postponement of the country's foreign debt.

Genscher-Vulkov Talks Reported From Bonn

AU0509193991 Sofia BTA in English 1833 GMT 5 Sep 91

[Text] Bonn, September 5 (BTA)—A meeting was held today in Bonn between Mr. Viktor Vulkov, deputy chairman of the Council of Ministers and minister of foreign affairs of Bulgaria, and Mr. Hans-Dietrich Genscher, federal vice chancellor and federal minister of foreign affairs of Germany.

The two sides exchanged opinions on the situation in Europe and more specifically in Yugoslavia. Mr. Hans-Dietrich Genscher stressed that Germany will continue to assist Bulgaria's speedy association to the European political and economic institutions.

The two ministers came to an agreement for Mr. Hans-Dietrich Genscher to pay a visit to Bulgaria in early October, 1991.

Successful Test at Kozloduy Nuclear Power Plant

AU0609111491 Sofia Khorizont Radio Network in Bulgarian 0932 GMT 6 Sep 91

[Report by Veselin Angelov]

[Text] Today, at the Kozloduy Nuclear Power Plant, specialists successfully completed one of the biggest and most critical tests before the No. 6 Generating Unit is started up. According to the specialists, it is now possible to start the regular production of electric power. Our correspondent Veselin Angelov sent us the following report by telephone:

[Angelov] The purpose of the test was to check the operation of the emergency systems that are actuated in the event of an interruption in the main power supply to the entire unit. It should not be forgotten that the nuclear power plant is itself one of the main consumers of the electric power it produces.

As well as this, the reactor, which during the test was subjected to a 40-percent loading of its 1,000-megawatt capacity, had to be turned down [da bude zaglushen] to the condition in which it is at the moment—that is, the reaction process had to be damped to the minimum level.

All this was carried out according to a special program and under monitoring by the modern instruments with which the No. 6 unit is now equipped, in contrast to its original (?apparatus). The experiment was completed, and it was established that the emergency systems operate within normal parameters.

The next task is to run up the reactor once again to its normal capacity in order to permit it to be connected parallel with the national energy system—that is, to produce electricity. The Committee for Peaceful Uses of Atomic Energy has granted permission, and the actual connection to the national grid is expected to take place tomorrow.

Nationalist Parties Seek Election Coalitions

AU0509132491 Sofia BTA in English 1253 GMT 5 Sep 91

[Text] Sofia, September 5 (BTA)—Parties prioritizing national values already determine their election alignments. The Fatherland Party of Labour formed a coalition with the Bulgarian Socialist (ex-Communist) Party [BSP]. At the extreme end of the nationalist spectrum, the National Radicals will coalesce with the uninfluential extra-parliamentary Bulgarian Christian Democratic Party (Centre). The Bulgarian National Democratic Party (BNDP) still leaves the door open: It holds negotiations with all political forces and does not rule out the possibility of running independently or even of staying away from the forthcoming elections. This pre-election isolation does not worry the party leaders. According to the BNDP Political Secretary Mr. Todor Mishev, now that the (ethnic Turks') Movement for Rights and Freedoms has been denied registration as a party, the Bulgarian Agrarian Party (United) and the Union of Democratic Forces (SDS) are vying for its electorate. This explains their reluctance to coalesce with a party which has "national" in its name.

The Bulgarian nationalist parties could not form a coalition of their own because they are quite different, the BNDP leaders believe. The Fatherland Party of Labour formed a coalition with the BSP and thus ultimately revealed its origin, the National Radicals are too extreme and undemocratic, BNDP spokesman Ventsislav Nachev said. Ideologically, the BNDP sees itself closer to the SDS-affiliated Democratic and Radical Democratic parties.

BSP Resolution on Keeping Party Unity Published

AU0509160591 Sofia DUMA in Bulgarian 31 Aug 91 p 1

[DUMA PRESS report: "Different Viewpoints Do Not Divide Bulgarian Socialist Party]

[Text] The editor's office received a resolution of the Presidium of the Supreme Council of the Bulgarian Socialist Party [BSP] that stated:

The Presidium of the BSP's Supreme Council believes that the difference in opinions and stances on matters concerning the party's current activities is natural. It is also quite normal that these differences find public expression that corresponds to the BSP's present nature as a democratic political force in the process of renewal. The different viewpoints cannot and must not be interpreted as an attempt to divide the party, or as a manifestation of personal ambitions.

At the same time, the Presidium believes that, at the present moment, just before the election, it is not necessary to call a special session of the BSP or a special congress, or to unfold internal party or other polemics on these grounds. At present, the only thing needed is a mobilization of the party in order to win the election.

The BSP Presidium's resolution was passed unanimously.

Details of BSP Election Campaign Fund Revealed

AU0609074591 Sofia DUMA in Bulgarian 31 Aug 91 p 1

[Report by Darina Radeva: "Blagoy Dechev Believes Election Fund of Bulgarian Socialist Party Belies the Rich-Party Myth"]

[Text] Until now, exactly 55,893.57 leva have been paid into the bank accounts where money for the election campaign of the Bulgarian Socialist Party [BSP] is being collected. Selling stamps is another method of collecting contributions, but no significant results have been achieved so far. Blagoy Dechev, a member of the Presidium of the BSP Supreme Council and of the All-Party Election Campaign Center, told this to a DUMA reporter.

Blagoy Dechev stated that the rich-party myth has come about of its own accord and through malice. The BSP really does have property, but its upkeep bleeds us dry, he explained. This matter is being exploited, but the BSP leadership more than once has insisted that the question of the party's property is resolved fairly.

Blagoy Dechev stated that the market economy is also reflected in political business. It costs money to get election platforms and candidates across to the general public. The state provides certain funding, but it is not sufficient. Its members and sympathizers are the only other sponsors the BSP can have, Blagoy Dechev stated. The BSP is categorically against financial aid from external political forces because this can cost the country its national interests, he explained.

In his opinion, even small amounts of money from a lot of people will serve the purpose; funds can be gathered by collecting secondary raw materials and shares.

Resources from the election fund will be used only for the campaign—for advertising and illustrative materials, to instruct people involved in election campaign work, and for rallies, concerts, and other such activities. The BSP now keeps tight financial control over its affairs—the "open pocket" syndrome does not exist, and expenditures are kept to an absolute minimum, Blagoy Dechev stated.

The BSP leadership submitted to the Grand National Assembly a detailed account of all money spent during last year's election campaign. In Dechev's opinion, the leadership should give a similar accounting to the people who made donations. He stressed that this is one way of showing gratitude for the hard-earned money that arrives in the party fund.

BSP Daily Sees CPSU Ban as Antidemocratic

AU0509082291 Sofia DUMA in Bulgarian 31 Aug 91 p 4

[Article by Stefan Prodev]

[Text] I do not intend to cry for the CPSU, having long since considered it outdated. This dinosaur party was unwilling and incapable of rebirth, of finding a new place in our contemporary epoch. Therefore, despite its long history, it was doomed to isolation and lost the people's confidence. In this respect, I was not particularly excited about the ban on the CPSU. It rather reminds me of a death certificate signed after a long and painful illness.

Nevertheless, the fact that I do not cry for the CPSU does not mean that this event leaves me totally indifferent. The ban itself is a somewhat shocking action that frightens me. This act represents an open violation of the democratization process, to such an extent that one can hardly trust certain pompous statements recently heard in both Moscow parliaments. There is something exaggerated and confusing about the explanations for the ban. Leading CPSU functionaries are supposed to have participated in the conspiracy of the "eight!" This was announced without citing any names and without providing any documentary evidence. This, however, did not prevent the two parliaments from voting on a decree, which, instead of dealing with the guilty conspirators, is banning an entire party from public life. Once again, millions of decent people and sincere supporters of the socialist idea will have to pay for the crime of a handful of conspirators. I am not so familiar with USSR legislation, but I am convinced that there is something illogical about this act. As far as I know, so-called collective guilt is not a legal concept.

I am profoundly convinced that the ban on a real political force cannot be the most correct method of achieving the democratization of Soviet society. It would have been much better if the state organs had provided the CPSU with the opportunity to disband or to try to reform. This would have been a real chance for the reform of all society and for the normal development of democratic processes in the USSR, whereas, under the present circumstances, whatever explanations may be provided, millions of people cannot overcome the feeling that an authoritarian act has been committed that is both confusing and frightening. I do not know whether Gorbachev and Yeltsin, who blessed the ban, quite realize that the ice on which they dropped their first antidemocratic act is very thin. May God forbid that this ice should crack because it would be a disaster for all, irrespective of the question of whether they have accepted the ban.

There is no more dangerous delusion than the delusion that democracy can be achieved through antidemocratic methods. This fact was confirmed on innumerable occasions. It applies, in particular, to a country such as the Soviet Union, where the democratic consciousness of the masses is totally underdeveloped, and any authoritarian measure may degenerate into violence. But, let us not guess. Let us hope that the hastily signed death certificate of the CPSU may not awaken the resistance of a powerful organism that is unwilling to die because, in such a

case, we may witness an unpredictable agony, which is likely to precipitate the huge country into an even more frightful, new disaster.

Union of Democratic Forces Election Club Founded

AU0509171591 Sofia DEMOKRATSIYA in Bulgarian 30 Aug 91 p 1

[Report by Krum Slavov: "Union of Democratic Forces Has New Election Club"]

[Text] The House of Cinematographers will host the election club of the blue opposition. This is one of the decisions of the National Coordinating Council, adopted at its 29 August meeting. Mrs. Nadezhda Mikhaylova was appointed head of the Press Center.

The report of the Commission on Nominating the Candidates for People's Representatives evoked a prolonged discussion. The commission's work is complex and responsible, especially against the background of the constraints imposed by the deadline fixed by the Law on Elections.

The participants in the meeting also reviewed issues related to the applications of certain organizations to form an election coalition with the Union of Democratic Forces [SDS], or join the SDS. The Union of Free Democrats, registered on the basis of the Law on Protecting Persons and Families (rather than the Law on Political Parties), was admitted to the SDS with the status of observer. This decision will be effective from the day the Union of Free Democrats leaves the "Freedom" coalition. The Social Democratic Party was "reactivated," and, after a period of 14 months, it is again a full-fledged member of the SDS.

Certain aspects of the international political situation and, more specifically, the developments in neighboring Yugoslavia and the attitude of the SDS toward those developments were also discussed.

DPS Leader Calls For 'International Pressure'

AU0509200391 Sofia Khristo Botev Radio Network in Bulgarian 1730 GMT 5 Sep 91

[Text] If the Rights and Freedoms Movement [DPS] will not be registered as a party, it must boycott the election and submit the matter to the international public, DPS Chairman Ahmed Dogan declared to a correspondent of the ANATOLIAN NEWS AGENCY. In the interview, a summary of which was published by the Turkish daily GUNES, Dogan remarked that the DPS is expecting the refusal of the Sofia Court of Justice to register the movement as a party to be rescinded by the Supreme Court.

Dogan declared that, if international pressure should be used on Bulgaria, the DPS would sooner or later acquire the status of a political party.

The DPS leader further declared that DPS members of the legislature would withdraw their support for Prime Minister Popov and demand the Bulgarian Government's resignation.

Fatherland Union Not Registering as Party

AU0609081591 Sofia OTECHESTVEN VESTNIK in Bulgarian 2 Sep 91 p 1

["Statement of the Fatherland Union National Council"]

[Text] The Fatherland Union has decided not to register as a political party and to refrain from submitting its own list of nominees for the 13 October 1991 election. In so doing, the Fatherland Union remains loyal to its nature as a sociopolitical organization in which citizens of all strata of society participate on an equal basis, irrespective of their professional interests, political views, or religious or party affiliations.

The Fatherland Union does not intend to betray its real goals as an all-Bulgarian association and its aspirations to rally the people's efforts and the efforts of various social circles to the purpose of resolving the country's overall problems and protecting individual citizens' interests. A supraparty character as a way of thinking and form of behavior is a specific feature and the organizational essence of the Fatherland Union. If the Fatherland Union should become a political party, its distinctive nature would be obliterated.

Bulgaria's chronological democratic development is heading for the second free election in many decades. Nevertheless, the striving of the numerous and most varied parties to encompass the whole spectrum of the country's social strata is leading to extreme polarization and to a highly controversial election campaign. In view of the conditions created by the new Electoral Law and under the current proportional election system, which is virtually a mechanism for participating in the election on a party level, the Fatherland Union is not willing to play a part in further tearing apart the population by partisan struggles. The new Electoral Law has considerably restricted the opportunity of electing independent candidates, exponents of supraparty positions, who could naturally find broader public support with the Fatherland Union's assistance.

Irrespective of all this, the ideas of the Fatherland Union on civic peace, understanding, and human solidarity, pleading for tolerance and closer contacts among people, regardless of their political views, and for overcoming the extreme tension resulting from partisan struggles are an extremely useful asset for the country, and the Fatherland Union will find appropriate ways and means of defending and applying these basic principles during the election campaign.

The Fatherland Union has categorically declared that it intends to pursue its work for the consolidation of law and order based on the Constitution, for parliamentary

democracy, for the transition to the market economy, and for the construction of the new noncommunist social system. The Fatherland Union is defending the principles of justice and insists that those who were personally involved in the crimes of the past totalitarian regime should be held responsible, but that their prosecution should be based on the supremacy of the law to which our entire public and political life should be subject.

During the forthcoming National Assembly and local government election, the Fatherland Union is resolved to support independent and other candidates, coalitions included, whose views are close to our platform. The Fatherland Union intends to devote all its efforts to the election of competent and capable nominees, who are expected to make the forthcoming work of democratic institutions infinitely more effective and purposeful.

By directly refusing to participate in the forthcoming election with its own ticket, the Fatherland Union is protecting its image as a civic organization and expanding its opportunities to further develop its specific character.

The election scheduled for 13 October 1991 is actually expected to guarantee the final and irreversible nature of the democratic process. The election campaign should not become an obstacle to solidarity and the social assistance on which numerous people, families, and entire social strata today depend. The Fatherland Union does not intend to support any populist pledges, irrespective of their source, and is resolved to give assistance to every individual citizen in overcoming his personal economic crisis.

Democracy should rally the people instead of dividing them. The country's future will even more strongly confirm the basic principle of the Fatherland Union, which reads as follows:

There are many parties, but only one homeland—Bulgaria—which does not belong to any party but to all citizens on an equal basis.

Democracy Clubs' 5 Sep News Conference Reported

AU0509170191 Sofia Khorizont Radio Network in Bulgarian 1430 GMT 5 Sep 91

[Report by Elena Shtereva]

[Text] A news conference of the Federation of Democracy Clubs was held this afternoon at the headquarters of the Union of Democratic Forces [SDS] at 134 Rakovski Street in Sofia. Yordan Vasilev, the federation's chairman, attended. Let us hear reporter Elena Shtereva on the subject:

[Shtereva] Mr. Yordan Vasilev explained at the news conference that the federation he is presiding over will conduct its election campaign within the framework of the SDS. In this connection, he announced that a charity concert is scheduled to take place at the beginning of October, with the participation of Rayna Kabaivanska, the world-famous Bulgarian opera singer.

Yordan Vasilev also reported on the proposal of the Democracy Clubs' suggestion that the SDS election slogan be: The world is at our side.

The text of the following appeal to all democrats was submitted to the news conference: With the slogan the world is at our side, we propose that Bulgarians should choose between isolation and integration, between Bulgaria's presence in worldwide economic, political, and cultural structures and its self-restriction to the utopia of socialism and communism. This is the essence of the choice between the SDS and the Bulgarian Socialist Party. This is a crucial choice.

The aforementioned appeal further explains that SDS organizations with hyphens developed under the incorrect formula: Division is strength. Instead of trying to win neutral voters, these organizations engaged in reshuffling their former hard-core electorate. Having hardly recuperated from one series of disasters, the SDS is subject to new misfortunes.

The appeal further states: However, the split affected the upper strata, the apparatus, while the body of the SDS—namely, Bulgaria's democratic body—is still intact. The Democracy Clubs remain within this body, along with all voters who preserved the uniform blue ballot of the old united SDS.

Mr. Yordan Vasilev described the difference between his federation and the other Federation of Democracy Clubs, headed by Mr. Petko Simeonov. As a matter of fact, after the Supreme Court has pronounced itself on the application for the registration of amendments submitted by Mr. Petko Simeonov, the court will deal with Mr. Ivan Vasilev's request, which also applies to the registration of amendments, because two separate organizations with a common registration exist today. One organization belongs to the SDS, with its headquarters on 134 Rakovski Street, and the other belongs to the SDS-Liberals.

That is it for the news conference.

Chief Prosecutor Gunev Interviewed on Resignation

AU0509165391 Sofia Khorizont Radio Network in Bulgarian 1430 GMT 5 Sep 91

[Telephone interview with Martin Gunev, chief prosecutor of the Republic of Bulgaria, by Khorizont reporter Nadya Kirkova; place and date not given]

[Text] [Kirkova] Mr. Gunev, for Khorizont Program listeners, would you please explain to us how the matter of your resignation really stands?

[Gunev] My resignation as chief prosecutor was submitted to the chairman of the Supreme Judicial Council,

which is the proper institution to accept my resignation in accordance with the new Constitution; it should have been accepted on 8 August 1991. At the same time, on 8 August, I took my vacation, believing that while I was on vacation my resignation would be accepted. However, after conversations that I have now had, I find that I acted correctly in breaking off my vacation, and I continue to carry out the duties of chief prosecutor until a presidential decree is issued in accordance with the Supreme Judicial Council's proposal for the acceptance of my resignation.

[Kirkova] In other words, your resignation stands?

[Gunev] It is not a question of whether it stands. I handed in my resignation, and I have not withdrawn it. If it is not accepted, I, like every other public servant, am obliged to fulfill the daily tasks assigned to me.

Ex-Intelligence Officer Makes Allegations

AU0609094591 Sofia BTA in English 0731 GMT 6 Sep 91

[Text] Sofia, September 6 (BTA)—A Bulgarian intelligence officer contends that journalist Vladimir Kostov and writer Georgi Markov, who defected to the West, were to be "wasted to teach the rest a lesson." In the latest issue of the "REPORTER 7" weekly, an ex-colonel of the now disbanded State Security's Main Department One (the intelligence service), who spoke on conditions of anonymity, explains that nothing has changed in the security services. "The personnel on active duty, the fierce dogs are in the system itself. In a crisis those boys will be the first to fulfill the party's assignment," he emphasizes, referring to the former Communist Party.

Bulgarian emigre writer Georgi Markov was murdered in London in 1978, and ever since there have been persistent allegations of the Bulgarian secret services' involvement in his elimination. Only days ago, the chief of the Criminal Investigation Department, General Katsamunski, confirmed this version.

Mr. Kostov was working in Paris for the Bulgarian intelligence service under a journalist cover. At one point he "opted for freedom." In his capacity as news analyst for Radio Free Europe, he has been telling on numerous occasions about an assassination attempt against him in circumstances closely resembling the Markov affair.

The anonymous source mentions Lieutenant General Vasil Kotsev, a former chief of Department One. General Kotsev died together with his wife in a car accident in 1986. Some people say the crash happened in mysterious circumstances.

The colonel says he had learnt from General Kotsev that the intelligence department had been warned about Mr. Kostov's intention "to betray his country." "Still, we didn't believe he would do it and prove such a rat. When we decided to launch an 'operation,' he refused to come to Bulgaria," Vasil Kotsev told the source.

The colonel confirms that vigorous action was taken to have Mr. Kostov back in Bulgaria: He was summoned on behalf of his parents and friends and State Security agents sought contact with him in Paris.

In another conversation on the way Kostov would be treated, General Kotsev explained, "We'll eliminate him to teach junior operatives a lesson. Let them know what they can expect if they betray their country and the department."

The former intelligence chief told the colonel that the operatives abroad had to be shaken up, that the staff of the Paris station had to be replaced because they were more or less known to Vladimir Kostov. The general was not pleased with the performance of some overseas agents of the department, including Mr. Yovcho Rusev, later on deputy minister of agriculture and now MP for the Socialist Party.

The colonel says that at the former Central Committee of the Bulgarian Communist Party, in talks held in the presence of Mr. Milko Balev, former Politburo member, that Georgi Markov's publications in London had infuriated the top party leadership. Markov belonged to the inner circle of long-serving Bulgarian dictator Todor Zhivkov, and Mr. Balev was Mr. Zhivkov's right-hand man for nearly forty years.

The source explains that many years ago there was a special counterintelligence division in the intelligence department which. [sentence as received] The division was headed by General Vladimir Todorov who succeeded General Kotsev as chief of Department One upon the latter's death.

A couple of months ago General Todorov, now retired, left for Moscow. Investigative proceedings had been instituted against him and two other senior State Security ex-officers on charges of destroying Georgi Markov's secret police file. Mr. Todorov confirmed that the file had been destroyed but claimed it did not contain anything of consequence.

So far the competent Soviet authorities have not reacted to the formal request of the Bulgarian Armed Forces Prosecutor's Office for Mr. Todorov's tracing and extradition to Bulgaria. Meanwhile, Bulgaria's Supreme Court granted the request of the general's defence lawyers and cancelled his arrest warrant.

The colonel says that General Todorov, in his capacity as chief of the counterintelligence division, was quite active abroad and often travelled on business. "I assume that Georgi Markov's was killed in revenge for his publications abroad," says the anonymous source.

The colonel implicates other people in the Markov and the Kostov affair. He mentions General Grigor Shopov, a long-serving former first deputy minister of internal affairs. In statements for the Bulgarian press Mr. Shopov

has said he had kept strictly to his "lane"—counterintelligence. The anonymous author says that Grigor Shopov was held in greater confidence by Todor Zhivkov than the former just as long-serving minister of internal affairs Dimitur S[illegible]ov and, therefore, could not have been unaware of [illegible]erations."

Another person mentioned in connection with the defectors' murder plots is Mr. Stoyan Savov, former deputy minister of internal affairs in charge of Department One. Mr. Savov is under investigation for destroying Georgi Markov's file. Chief of the Criminal Investigation Department General Katsamunski said a couple of days ago it would be interesting to hear what Mr. Savov had to say about some documents in the general's possession.

The source believes that one Borislav Bozhilov, aka Bobbie Betz, a part-time counterintelligence agent, was absolutely reliable and capable of becoming a triggerman of "operations." Bozhilov took his orders straight from Grigor Shopov and other senior officers.

The colonel claims that Bobbie Betz was sentenced to six years imprisonment for abuse in the case of a general from the former Security and Protection Department but was released on the personal orders of Todor Zhivkov. Now Bobbie Betz is said to be in Vienna, working for a state security company.

In conclusion, the source expresses his conviction that major operations like the Kostov and the Markov affairs could not have been carried out without the participation of the Soviet KGB.

EC Plans 'Exploratory' Talks on Association

AU0509204791 Sofia BTA in English 1859 GMT 5 Sep 91

["Exclusive" BTA report by Paul Montgomery from Brussels: "EC: Accelerated Approach to Bulgaria's Association"]

[Text] Brussels, September 5 (BTA)—The European Community will seek exploratory talks with Bulgaria on an association agreement, as soon as possible, after approval of the initiative tomorrow, a community spokesman said.

No specific date has been set but one official said a first meeting could take place as early as next month. The European Community's foreign ministers are certain to approve an accelerated approach to association for Bulgaria and other East European countries when they meet here tomorrow.

Community officials have not expressed any concern about the progress of democratic reform in Bulgaria, while there have been doubts expressed about democratic commitment in Romania. That could mean Bulgaria would be placed on a "fast track" when the negotiations for association begin.

Nuclear Weapons Material Allegedly Found at Mosnov

AU0609130591 Prague MLADA FRONTA DNES in Czech 4 Sep 91 p 1

["(rd)"-signed report: "A New Version"]

[Text] According to an off-the-cuff statement made by a senior Federal Interior Ministry official who wishes to remain anonymous, material essential for the production of ignition equipment for nuclear weapons—material smuggled across the CSFR—was, in fact, discovered during the controversial operation at Mosnov Airport. Allegedly, Minister Langos is concealing these facts for purely conspiratorial reasons because the Federal Security and Information Service is successfully managing to uncover other circumstances. Moreover, claims are being made in the lobbies that the failure at Mosnov and the scandal associated with it could be obliterated by additional sensational revelations. In connection with these rumors, it is obvious that the time has now come for Minister Langos to reveal the complete truth—to say the least—to the appropriate parliamentary committees.

Langos Defends Operation

AU0509155791 Prague MLADA FRONTA DNES in Czech 31 Aug 91 pp 1, 2

[Interview with Interior Minister Jan Langos by Karel Hvizdala in Prague on 30 June: "The Action Was Perfect, Interior Minister Jan Langos Claims"]

[Excerpt] [Hvizdala] Against whom was the 29 August action at Mosnov Airport aimed, and why was it carried out?

[Langos] Mosnov Airport has been a center of attention of the Czechoslovak intelligence service and federal police for several months now. We collected intelligence information that this international airport was being used as a transfer center for smuggled goods. For six months we collected information indicating that the smuggling operation included arms, drugs, and other goods. Obtaining material evidence by any means other than directly is a very dubious and almost impossible task. Therefore, having a reasonable suspicion that we were dealing with organized crime, the uncertainty remained as to which of the airport personnel were collaborating with these organizations or smugglers. To obtain conclusive evidence, it was necessary to decide the moment we had information from several independent sources that some of the contraband was at the airport. On the morning of 28 August and throughout the rest of the day, we verified evidence that goods and persons involved in the crime would actually be at the airport on that day. In the evening, at approximately 2200, following a detailed analysis of all of the information, we decided together with Defense Minister Dobrovsky to carry out this action. The aim was to isolate the civilians and military personnel to prevent them from thwarting the examination of as much of the airport as possible. To give you some idea of the operation, the size of the airport is 12 by 18 km. Because we did not want to turn it into military maneuvers, we used a small group of military and federal police.

[Hvizdala] Who issued the order to use weapons when neither the rapid deployment unit nor the military police were in danger of being killed?

[Langos] Neither the rapid deployment unit nor the military police had orders to use weapons against people. According to the now almost complete information from yesterday, a firearm was used on only three occasions, and that was to remove obstacles. It was not used even once against a person.

[Hvizdala] You speak of obstacles. What do you mean by that?

[Langos] Three locks were opened.

[Hvizdala] Nevertheless, one person was injured. How did that happen?

[Langos] As one of the doors was opened, a small protective plate broke off and injured one civilian employee in the chest. He did not seek first aid until 0830, and, according to the medical report, he is not on disability leave.

[Hvizdala] Why did you not inform the Ostrava police? After all, they might have intervened against the rapid deployment unit and the military police in the belief that they were terrorists attacking the airport....

[Langos] We have already mentioned one reason, that the operation was strictly secret, but another is that regional intervention units do not intervene against organized terrorism. In such events, the police would immediately contact the Prague rapid deployment unit. This unit is the only body to intervene in the event of an attack on an airport. Perhaps I should add that a unit of experts with measuring and pyrotechnic gadgets was present at Mosnov Airport together with the rapid deployment unit and the military police. Members of the military police wore armbands with the letters MP. The crew immediately reported the arrival of the military police at the airport. Hence, the airport personnel were warned immediately before the action began.

[Hvizdala] What were the results of this extraordinary operation?

[Langos] Unfortunately, we did not find any evidence, but that happens when dealing with organized crime. Moreover, it is possible that something escaped us during the examination of such a large area or that information was leaked.

[Hvizdala] One of the most serious complaints about you was that your intervention made a scheduled transport of children for dialysis in Nuremberg impossible. Would you care to comment on this?

[Hvizdala] The man in charge of the operation knew of the scheduled departure of the Air Vitkovice flight to Nuremberg, but not that two children were supposed to be on board. I received the information as late as 0730 from our secretariat, which, in turn, had been informed by an Air Vitkovice representative. We were unable to contact him at first—we wanted to offer a transfer by our helicopter—and, when we finally managed to contact him, they already had an alternative solution. The entire operation was to be over by 1400, and air traffic was to return to normal then. The time at which it actually happened was even better—1000. [passage omitted]

Czech Government Approves Agreement on EIB

LD0609031291 Prague CTK in English 1705 GMT 5 Sep 91

[Text] Prague Sept 5 (CTK)—The Czechoslovak Government today approved a skeleton agreement on financial cooperation between Czechoslovakia and the European Investment Bank (EIB), and recommended to the Czechoslovak president to ratify it after the federal parliament approves it.

Under the agreement, the EIB will take a share in funding investment projects especially in the power, transport and telecommunictions areas.

The quality of the projects will be decisive for the division of the 700 million ECU [European Currency Unit] to be allocated by the bank to Czechoslovakia, Bulgaria and Romania for the 1991-92 period.

The government said the restrictive budgetary policy will not be abandoned even though the aggregate surplus of the federal, Czech and Slovak budgets reached 17,690,000 crowns ($1 = 30 crowns) in the first half of the year. The surplus was 6,690,000 crowns or 61 per cent higher than expected. But since June, the budgetary surpluses have been declining.

The government approved the list of 52 large state-run enterprises worth 108,000,000 crowns to be put up for "large privatisation" which will start in October.

The government decided that as of September 30, foreign visitors to Czechoslovakia will no longer be obliged to pay for petrol and oil with vouchers issued by the Tuzex foreign corporation and the Cedok travel agency, but will be allowed to pay with Czechoslovak currency. One of the reasons is a marked decrase in oil and petrol consumption in Czechoslovakia since the beginning of the year.

In view of the favourable democratic developments in Czechoslovakia and the neighbouring countries, the Czechoslovak Government, acting in tune with the new military doctrine, decided to abolish as from December 31 three military training facilities in the Czech Republic and one in the Slovak Republic.

The government also approved a draft agreement on Czechoslovak-German cooperation in fighting organised crime, including international terrorism and drug trafficking.

Republic Governments Adopt Screening Law Drafts

AU0509161191 Prague OBCANSKY DENIK in Czech 30 Aug 91 p 2

["(jc)"-signed report: "What is the Scope of the Purge?"]

[Text] Prague, Bratislava— The Czech Republic Government discussed the draft of the so-called law on screening that had been presented to it by the Federal Government. The Czech Government proposed some changes to it. The most important one is that it will be possible to treat separately the nomenklatura cadres who in 1968 sought to implement democratization changes via the Communist Party of Czechoslovakia.

At its meeting, the Slovak Republic Government discussed the same draft. Its stand is that holding certain positions in the federation's and republics' organs and organizations is incompatible with the fact that a citizen holding them knowingly cooperated with the State Security between 25 February 1948 and 17 November 1989, that he held a position in organs of the Communist Party of Czechoslovakia or the Communist Party of Slovakia that controlled the National Security Corps, that he was a member of the military counter-intelligence department that fought against internal enemies, or that he was a member of the People's Militia.

Both governments approved the law after making changes to it.

Tosovsky Reviews State Bank Economic Decisions

AU0509140291 Prague CTK in English 1529 GMT 3 Sep 91

[Text] Prague Sep 3 (CTK)—The Czechoslovak State Bank decided yesterday to lower its discount rate and the maximum allowable variation from it starting September 9, its president, Josef Tosovsky, told a press conference today.

Other decisions taken by the bank's board of directors were to abolish as of October 1 all previously existing binding rules for standardizing payment conditions for exports, and to probably raise the current limit on the annual sale of convertible currency to Czechoslovak citizens from 5,000 crowns (166 USD) to 7,500 crowns (250 USD).

These measures, according to Tosovsky, should send a signal to the business world that the economy is taking a turn for the better.

Czechoslovakia's national income will probably drop by 18 percent in 1991 and its gross domestic product (GDP) by 16 percent, Tosovsky said. But he predicted that this

year's current account balance of payments deficit will be under 1,300 million USD, or half of estimates at the end of 1990.

He acknowledged that prices have risen much faster than the government anticipated. The annual price index rose 59.1 percent from July 31 1990 to July 31 1991, and 49.2 percent since price liberalization was introduced at the beginning of the year.

However, he said inflation seems to have been brought to a halt in the last two months, and current forecasts are for a monthly inflation rate of just one percent until the end of the year.

The increase in allowed foreign currency purchases, Tosovsky explained, is made possible by the country's overall balance of payments situation. The Czechoslovak public bought a total of 10,000 million crowns (333 million USD) in freely convertible currency in the first seven months of 1991, while hard currency deposits into private accounts increased by 9,800 million crowns (327 million USD). "In practice, that means the sale of freely convertible currencies did not affect the state's hard currency reserves".

Tosovsky said Czechoslovakia's indebtedness increased by 600 million USD in the first half of this year, reaching 8,700 million USD. The biggest debtor to Czechoslovakia is the Soviet Union, which owes 4,700 million USD. Short-term prospects for collecting this debt are not good, he observed, especially as there is pressure to increase the upper limit on exports on credit to the Soviet Union.

The total influx of foreign capital to Czechoslovakia this year could amount to 600 million dollars, about 50 percent more than original estimates, Tosovsky said. The first half of 1991 alone saw 400 million USD in foreign investment, most of it from the German auto maker Volkswagen.

Havel Discusses Slovak Economy, Federation Issue

LD0509200691 Bratislava Ceskoslovensky Rozhlas Radio Network in Slovak 1000 GMT 5 Sep 91

[Text] President Vaclav Havel began today's stay in Slovakia by meeting with Prime Minister Jan Carnogursky and economic ministers of his cabinet. Bohus Geci represented the Radiojournal in a group of journalists who asked the president a few questions after the meeting:

[Begin recording] [Geci] Mr. President, what do you think, after your talks with economic ministers, about the economic situation in Slovakia?

[Havel] The main reason for the talks was to form a picture of the most urgent problems of the Slovak economy. Individual ministers reported to me on the state of their fields and the problems they have there. We discussed privatization, the insolvency of some enterprises, and other matters. At the end, I asked the ministers to tell me how they think the federation could help the Slovak economy more that it does, and where they think the federation makes the work for them more difficult or hinders them. Individual ministers then told me their views; this was very important and interesting for me, naturally.

[Geci] Thus, from this point of view, when you now have a somewhat broader idea about the Slovak economy, what does it look like, in your opinion? Can the federation help, or, if I should be more precise, can the state setup influence the economy, and, if so, how?

[Havel] Naturally, a state setup does influence the economy but not only the economy—all of life. It can appear to citizens that it is only something theoretical; something that concerns constitutions, lawyers, and politicians; something that does not concern their everyday life. However, in my opinion, it concerns and touches upon absolutely everything and thus also concerns the economy, naturally. Concerning the federation, the federation can help the Slovak economy very significantly—on the international scene, for example, during talks on agreements on associate membership, on making exports easier, and so on—because the federation is an internationally legal subject and a partner for foreign partners and has great instruments with which it can help both republics in the spheres where the republic needs it most. [end recording]

Half-Year 1991 Economic Figures Released

AU0409092591 Prague HOSPODARSKE NOVINY in Czech 27 Aug 91 pp 25, 26

["Federal Statistical Office Report on Economic and Social Development in the CSFR During the First Six Months of 1991" issued in Prague on 21 August]

[Text] Economic and social development during the first six months of 1991 was determined by processes initiated overwhelmingly last year. The essence of these processes is the gradual transfer to a market economy that—apart from denationalizing and privatizing the economy, liberalizing prices, and using the internal convertibility of the koruna as a prerequisite for the Czechoslovak economy's effective integration into the European and world economy—also involves maintaining a macroeconomic balance with the assistance of a restrictive financial and credit policy.

The early stages of the economy's transformation were accompanied by unfavorable social factors. First and foremost, the first six months of this year were marked by an increase in consumer prices. Although price increases slowed down quickly, the cost of living for all sectors of the population increased perceptibly. The number of unemployed grew rapidly.

The domestic and foreign sales barrier led to a reduction in output in virtually all branches of the economy; many manufacturing entities became insolvent. Meanwhile, the denationalization and privatization processes during

the first six months of the year did not proceed sufficiently well enough to more significantly precipitate economic growth.

The number of private entrepreneurs registered in accordance with law No. 105/1990 rose during the first six months of the year by 266,000. By 30 June 1991, the number of private entrepreneurs had reached 921,000. The vast majority of entrepreneurs are conducting their entrepreneurial activity in tandem with their primary employment. Of the total number of registered entrepreneurs, 27.6 percent are involved in industry; 24.8 percent are involved in construction; 17.2 percent are involved in trade; and 9.9 percent are involved in services, including accommodation and tourism. Private entrepreneurs listed in the entrepreneurial register represent approximately one percent of the overall number of registered entrepreneurs. The private sector's share in total output in industry, construction, and domestic trade has—so far—been small; this has not yet made it possible for this sector to significantly influence the situation and trends in these branches.

The collapse of the market involving the former CEMA member states was a serious occurrence that complicated our economy's transformation during the first six months of this year. A number of our processing enterprises lost a qualitatively undemanding but large volume market. Our export production's poor technological and quality parameters and the western markets' high saturation level only enable us—gradually and with difficulty—to compensate for the reduction in commercial relations with our hitherto largest partners by expanding trade with countries with a developed market economy.

National Income

According to estimates, during the first six months of 1991, the generation of national income declined by 13.8 percent (at comparable prices) compared to the same period last year. Utilization of our national income declined by 22.9 percent and reserves increased by 3.3 percent. The non-production consumption fund [fond nevyrobni spotreby] declined by 27.2 percent; personal consumption fell by 37.1 percent. The gross domestic product fell, according to estimates, by 9.2 percent.

During the first six months of this year, the population's income amounted to 272.9 billion korunas, and its expenditure amounted to 269.9 billion korunas, that is, three billion korunas less. Of these savings, 1.8 billion korunas were deposited in financial institutions, and 1.2 billion korunas remained in the population's pockets.

The population's nominal income during the first six months of the year increased by 13.1 percent in comparison with the same period last year; nominal expenditure increased by 15.1 percent. In comparison with the same period last year, the population's real income was 28.2 percent lower.

Income from wages and salaries during the first six months of the year increased by 3.3 percent in comparison with the same period last year; social income rose by 20 percent during the same period. During the first six months of 1991, 12.5 billion korunas were spent in a form of state contributions to compensate for the rise in retail prices. Loans granted to the population during this period amounted to 7.8 billion korunas.

The increase in the population's expenditure during the first six months of 1991 was accounted for by reduced expenditure of 2.6 percent on retail purchases—on the other hand, expenditure on services increased by 20 percent—and especially by other so-called expenditures, a dynamic element of which was the population's expenditure on foreign currency. In comparison with the first six months of last year, the population purchased 176.2 percent more foreign currency.

Wages and Employment

In the first half of the year, the average monthly gross nominal wage in the national economy (including small business) was 3,466 korunas, which was 9.6 percent higher than in the same period last year. The development of wages was varied—the greatest growth occurred in banking (51 percent), insurance (33 percent), foreign trade (27 percent), and communications (26 percent). On the other hand, the average nominal wage declined slightly in agricultural cooperatives (0.8 percent).

The transformation processes taking place in the entire economy resulted in employment changes in the first half of the year. At the end of June, there were 6.447 million people employed in the national economy (including agricultural cooperatives). This was 832 thousand fewer than at the beginning of the year, i.e. 11.4 percent less. Some of the redundant employees began to engage in private enterprise, some retired, some found jobs with other employers or abroad. A substantial number of the unemployed, however, did not find another job immediately. This was also the case with new school graduates. Although the labor exchanges managed to place some of the unemployed, the number of job seekers grew on average by 37.3 thousand people monthly. As of 30 June, the labor exchange records showed 300.8 thousand unemployed (139.4 in the Czech Republic and 161.4 in the Slovak Republic). This means an increase of 223.8 thousand compared with the end of last year (100 thousand in the Czech Republic and 123.8 thousand in the Slovak Republic). Unemployment reached 3.8 percent of the total workforce at the end of June (2.6 percent in the Czech Republic and 6.3 percent in the Slovak Republic). This development in unemployment indicates that certain risk groups, who are at a disadvantage with regard to finding a position in the labor market, will form among the population. The number of unplaced school graduates reached 30.4 thousand at the end of June. Women were the hardest hit by unemployment. As of 30 June 1991, 63.8 percent of the total number of unplaced job seekers collected unemployment benefits, while only 1,225 people collected

retraining benefits. Over the first six months, 1,039 million korunas were paid out in unemployment benefits, i.e. almost four times as much as was paid out during the whole of 1990.

Prices and Cost of Living

The consumer price growth—a result of the price liberalization at the beginning of the year—had a strong impact on the living standard of the population. Consumer prices were 49.2 percent higher in June 1991 than in December 1990. During the first half of this year, however, the dynamics of the consumer price growth changed. The high increase in these prices at the beginning of the year crashed into the demand barrier and that influenced price development in the months that followed. While consumer prices increased sharply in January (by 25.8 percent), they grew only 7 percent in February, 4.7 percent in March, 2 percent in April, 1.9 percent in May, and 1.8 percent in June. The prices in the consumer price sphere that grew most in June as compared with December 1990 were those of non-food merchandise (68.4 percent). Food prices stabilized after rapid growth at the beginning of year, and were 26.7 percent higher in June than in December 1990. The prices of public catering increased in the first half by 45.4 percent and in the services sector by 40 percent.

Cost of Living Growth in the Period December 1990—June 1991

Population group	Total	Of that on		
		food	industrial goods	services
Laborers, employees	144.3	127.1	159.6	142.5
Cooperative farmers	145.6	128.5	160.8	133.8
Retired	143.5	126.1	173.9	146.0

Among foodstuffs, the greatest increase occurred in the prices of sugar, sweets, and confectioner's goods, mill and bakery products, and milk and dairy products. The lowest increase in this group was recorded in fats, meat, and meat products. Among non-food merchandise, the highest price increases were for fuel, construction materials, hygienic, medical, and druggist goods. In the services sector, rents showed the greatest increase (heating and hot water price increased as of this June) along with utility charges.

The consumer price increase entailed a rise in the cost of living. Because of the diverse income and consumption structure, the cost of living grew differently in the individual social groups of the population [see table].

Retail Sales

Retail sales, including sales in public catering, small business, and the private sector in the first half of this year are estimated at 177.4 billion korunas. Adjusted for the influence of prices, total sales declined by 38 percent as compared with the first half of 1990, while the retail turnover of organizations with more than 100 employees declined even more—by 42 percent.

The developments on the domestic markets were influenced by the decline of real wages of the population, rationalization in food purchases, reduction of non-food purchases, and an increase in purchases made by our citizens for foreign currency.

Consumer demand for food was on the whole satisfied, consumer interest focusing on cheaper types of food. The sale of industrial goods stagnated most in textiles, clothing, and footwear. The sharpest decline was recorded in the sale of Czechoslovak-built cars. Only 10,831 of them were sold in the first half of this year, i.e. 27.6 percent of the sales in the first half of last year. According to information provided by the Central Customs Administration, Czechoslovak citizens imported 52,625 cars in the first half of the year, compared with 18,240 cars over the whole of 1990.

In the first half of 1991, 24.394 million foreigners visited Czechoslovakia, which is 49.8 percent more than over the same period last year. The most visitors came from the FRG (almost four times more than a year ago) and Austria (almost 30 percent more than in the first half of last year). During the same period, 13.854 million Czechoslovak citizens traveled abroad, i.e. twice as many as in the first six months of last year.

Investments

The following number of housing units was completed in the first half under the following categories of housing construction:

Form of construction	Number of housing units	Index 1.91/1.90
Communal	6,233	134.7
Company	547	94.1
Cooperative	11,304	142.3
Individual	6,242	57.6
Total	24,326	101.4

The large decline in the number of completed housing units in individual construction was influenced by the reduction of state subsidies for this form of housing construction. There were 7,755 housing construction starts in the first half of 1991, which is 82.6 percent fewer than in the first six months of last year.

Investment activity declined. In the first six months of the year, the volume of capital investment and deliveries for investment projects was 83.4 billion korunas (organizations with more than 100 workers) and declined, compared with the same period last year, 28.3 percent.

This trend is the consequence of businesses' limited resources, less financing of capital investment activity from the state budget, and, in many cases, the unclear future of enterprises.

In the first half year, a total of 4.6 billion korunas was invested in environmental protection, which is 11.6 percent less than the same period last year. It can be seen that investment activity in the sphere of environmental protection declined less than investment activity in general.

The volume of investments made by the private sector and the public is estimated to have reached 8 billion korunas in the first half year.

Foreign Trade

Economic development in the past half year was strongly affected by external economic relations. Foreign trade turnover was 285.2 billion korunas in the first six months of this year, of which, imports reached 147.5 billion korunas and exports 137.6 billion korunas. The foreign trade balance ended with a deficit of 10.0 billion korunas in the first half year, which is much less than originally expected. The fact that currency was devalued three times and that markups on imports of commercial consumer goods were introduced created more favorable monetary conditions for exports and put a brake on imports. The trade balance with countries having a developed market economy even reached a surplus of 6.3 billion korunas, while the balance with the former CEMA countries shows a deficit of 19.1 billion korunas. The positive change in the development of foreign trade appeared in May and June. Due to the fact that exports resumed, the trade balance ended with a surplus of 3.4 billion korunas. The physical volume of foreign trade reflected different developments in trade with countries having a market economy and countries not having a market economy. While the physical volume of exports from and imports to market economy countries remained virtually unchanged, in the case of countries having a nonmarket economy, there was a significant decline. According to preliminary calculations, exports to countries with a nonmarket economy declined almost 45 percent, and imports from these countries declined more than 30 percent. The overall physical volume of exports declined approximately 25 percent compared with the first six months last year, and the physical volume of imports declined approximately more than 30 percent. The share of countries with a developed market economy in overall foreign trade turnover grew only a slightly. Compared with the first half of last year, the share of these countries grew from 46.1 percent to 46.9 percent. The USSR still remains the largest foreign supplier (approximately 35 percent of total Czechoslovak imports) from whom we buy crude oil at world prices and for convertible currency. Our second largest supplier was the German Federal Republic (including the former German Democratic Republic) with almost 18 percent of our imports, and Austria with 6.4 percent. Imports from the United States, Japan, and Italy grew rapidly in the first six months. Our exports were territorially oriented, above all, toward the German Federal Republic with 24.6 percent of our exports, USSR with 19.3 percent, and Poland with 6.9 percent.

The most frequently imported items in the first half year were mineral fuel, machines, and vehicles.

In contrast to the deficit in the overall trade balance, foreign tourism, foreign transportation, and other services brought a profit in foreign currency. The gross foreign debt of the CSFR was 8.8 billion U.S. dollars at the end of June this year and increased, compared with December last year, by 0.7 billion U.S. dollars.

Koruna's Exchange Rate

In the course of the first quarter, the koruna's exchange rate abroad gradually approached the official exchange rate fixed by the Czechoslovak State Bank. There were no significant differences between the two rates.

The influx of foreign capital into our economy has become apparent. The IMF granted a loan of 996 million U.S. dollars to the CSFR to improve the Czechoslovak balance of payments. Volkswagen's capital participation in the Skoda-Volkswagen joint venture enterprise represents approximately 350 million U.S. dollars.

State budgets show a surplus of 17.7 billion korunas in the first six months of this year. This result is mostly due to the fact that budget income was higher than planned. In this item, the budgetary plan has been fulfilled 54.2 percent. Budget revenue comes mostly from levies and taxes on profit, which in the first half year reached 88.9 percent of the total amount anticipated for the entire year. The high rate of profit generation in the first few months of this year is accounted for by the increased volume of output expressed in current prices. That is, the development of prices had a strong effect on this rate. Budgetary expenditures in the first half year represented 50.9 percent of the planned yearly figure.

Bank loans granted to organizations and the public reached 662.9 billion korunas on 30 June 1991. They increased 13.1 percent compared with December last year. Of the total sum of the loans, 578.3 billion korunas were loaned to the state sector and cooperatives, 24.7 billion korunas to the private sector, and 51.6 billion korunas to the public. On 30 June 1991, the total amount of loans granted to the private sector was seven times higher than that at the end of last year. On the same date, it reached 3.7 percent of the total amount of the loans granted by the banking system.

Deposits in the banking systems increased 5.5 percent in the course of the first half year. Of this, deposits made by organizations (including insurance companies) increased 13 percent, and deposits made by the public increased 0.5 percent. Of the total sum of the deposits representing 473.5 billion korunas, 53.4 percent are term deposits.

The decline in production output is characteristic for the entire manufacturing sector. This is a phenomenon accompanying the transformation process that must include—beside denationalization and privatization—a transition toward real prices on the market, the abolition

of redistribution processes between viable and backward manufacturing units via the state budget.

The primary stimulus for the decline in production was the decline in demand for consumer goods on the domestic market and a significant drop in sales abroad. The lower output in the manufacturing sector had a snowball effect on individual branches within the sector where demand for other factories' products declined. In the situation in which prices were liberalized and the restrictive financial and credit policy eased, this has resulted in enterprises' growing insolvency assuming the form of a chain reaction.

Industry

Industrial output reacted belatedly to the changes in domestic and foreign marketing opportunities. In January and February, the decline in industrial output—at comparable prices and in comparison to the same period last year—was slight (roughly five percent). However, during the first six months of the year, industrial output (including small enterprises and the private sector) fell—according to estimates—by 14.3 percent in comparison to the same period last year.

Output in industrial enterprises with more than 100 employees—at comparable prices and in comparison to the same period last year—fell by 16.5 percent during the first six months of the year. From the point of view of individual branches, the largest slump in output during this period was recorded in the clothing industry (33.2 percent); in the electrotechnical industry (29.9 percent); in smelting non-ferrous metals (29.5 percent); in the tanning industry (26.3 percent); and in the building materials industry (24.2 percent). Only the fuels industry recorded a production increase (by 2.4 percent) in comparison with the first six months of 1990. The average registered number of employees in industry during the first six months of this year amounted to 232,180. In comparison to the same period last year, this number has declined by 8.9 percent, that is, by less than the slump in output. Consequently, an employee's productivity has declined by 8.3 percent in comparison to 1990. The average monthly nominal wage for an employee in industry amounted to 3,768 korunas during the first six months of 1991. It has increased by 12.8 percent in comparison to the same period in 1990. Industrial producers' prices in June were 77.5 percent higher in comparison to the same period last year.

Construction

Overall construction output (including small enterprises and the private sector) was, according to estimates, 25.5 percent lower in comparison to the first six months of 1990. Construction work carried out, in accordance with suppliers' agreements, by enterprises with more than 100 employees declined by 34 percent in comparison to 1990. The decline in the volume of construction work was manifested in all sectors of the construction industry.

The number of employees in construction enterprises with more than 100 employees amounted to an average of 404,600 during the first six months of 1991 and, in comparison to the same period last year, has declined by 74,100, that is, by 15.5 percent. Employees' productivity—calculated from basic construction output—has declined by 28.8 percent in comparison to 1990. The average monthly nominal wage for a construction industry employee amounted to 3,624 korunas during the first six months of this year. This is an increase of 5.5 percent in comparison to last year.

Transportation

The slump in output in industry, construction, and other branches was also reflected in freight transportation. Public freight transportation capacity during the first six months of this year amounted to 33 billion tonne kilometers. This is a 20 percent decline in comparison to the first six months of 1990. The volume of transportation in tonne kilometers declined in all types of transportation; however, the most significant decline was recorded in transportation carried out by CSAD [Czechoslovak Vehicle Transportation]. This declined by 32.8 percent in comparison to the first six months of 1990. The significant decline in CSAD transportation is associated with the reduction in the number of new construction projects, that is, with the reduced transportation of building materials and soil [zemina]. The reduced demands on CSAD enterprises are also accounted for by increased competition from plant and private transportation.

During the first six months of this year, 11,623,000 passengers were transported by CSAD. This number is essentially unchanged in comparison with last year. On account of the increase in average transportation distances, CSAD's passenger transportation output has increased by 4.7 percent. A total of 21,170,000 people traveled by rail during the first six months of this year. The railroad network's output has increased by 2.1 percent in comparison to the same period last year.

Agriculture

Agriculture found itself in a difficult economic situation in the first half of the year. On the one hand, the liberalization of prices made inputs into agricultural production more expensive and, on the other, it lowered demand for agricultural products.

According to estimates, total procurement from primary producers in the first half of 1991, compared with the same period a year ago, was 19.9 percent lower for animals for slaughter (including poultry), 12.8 percent lower for milk, and 6.8 percent lower for eggs. The decline of meat, milk, and egg procurement by state procurement organizations was even more conspicuous than the aggregate decline of their procurement.

Toward the end of the first half of the year, the serious problem of farming surpluses emerged, to which the

Federal Government responded with [the introduction of] guaranteed procurement prices for a part of the excess production.

According to an estimate based on the situation on 15 July 1991, the harvest of basic grain crops (wheat, rye, barley, oats, and triticale) will amount to 10.9 million tonnes, that is, 4.82 tonnes per hectare, assuming a normal development of the vegetation. This would be 1.1 million tonnes below the 1990 harvest but more than the average annual harvest in the years 1986 to 1990. The numbers of all types of livestock have been cut in both cooperative and state-owned agricultural enterprises. At the end of the first half of the year, cattle herds were 6.5 percent lower, pig numbers 1.0 percent lower, poultry flocks 2.1 percent lower, and sheep flocks 9.8 percent lower than at the same time a year ago.

Demographic Development

According to the preliminary results of the census, the CSFR had 15,567,666 inhabitants as of 3 March 1991 (10,298,731 in the Czech Republic and 5,268,935 in the Slovak Republic). The number of newborns—109,600 in the first half of the year—was up 4 percent over the same period last year. The number of deaths—91,400 in the first six months of the year—was 1.4 percent lower than in the first half of last year. The natural increase of the population in the first six months of the year amounted to 18,200 persons and was 43.3 percent higher than in the same period of 1990.

Outlook

According to a survey carried out in selected industrial, construction, and retailing organizations, their management staffs expect no changes in the third quarter of 1991 that would indicate a significant improvement of the general economic climate.

In the third quarter of the year, most industrial and construction organizations expect continued decline of sales on the domestic market, accompanied by a moderate recovery of foreign demand. Similarly, domestic trade (both state-owned and cooperative) expects retail trade turnover to decline. In conjunction with the falling output, a further decline of employment is expected, which will, however, be accompanied by wage growth.

Price growth should slow down, compared with the first half of the year, and the prices of some products, mostly finished products, should even show a tendency toward decline.

Future of Communist Federation Concerns Official

AU0609085891 Prague RUDE PRAVO in Czech 2 Sep 91 p 2

[Interview with Michal Kraus, spokesman for the Democratic Left in the Communist Party of Bohemia and Moravia, by "res"-signed RUDE PRAVO correspondent; place and date not given: "It Will Be Difficult To Defeat the Clan of Orthodox Apparatchiks"]

[Text] The Executive Committee of the Communist Party of Bohemia and Moravia convened at the end of last week. We asked its member Michael Kraus, who is also the spokesman for the Democratic Left in the Communist Party of Bohemia and Moravia, for information.

[RUDE PRAVO] How did the Executive Committee members accept the fact that the name Communist Party of Czechoslovakia has become history?

[Kraus] The session confirmed the growing differentiation of opinions. While many democratically minded members understood and supported the decision, others, particularly the paid officials, did not hide their "justifiable anger." According to them, the representatives of the Party of the Democratic Left in the Federal Council are at fault. Therefore, I am concerned about the future of the federation of the Communist Party of Bohemia and Moravia and the Party of the Democratic Left. Its eventual split, however, would only confirm the political incompetence of the representatives of the Communist Party of Bohemia and Moravia.

[RUDE PRAVO] How did the session receive the 27 August demands of the Democratic Left within the Communist Party of Bohemia and Moravia?

[Kraus] The meeting on 29 August of the Communist Party of Bohemia and Moravia District Committee chairmen demonstrated that many officials again found a purpose for their politics—an internal enemy and the struggle against him. I pity the people who behave as primitively as this purely out of anger, as a result of feeling that their part of the orthodox faction, which is newly crystallizing, is futile.

Fortunately, it was demonstrated that there are enough members, even in the Executive Committee, who are not economically dependent on the Communist Party of Bohemia and Moravia and are capable of resisting crudeness and political primitivism. The adopted statement, which, among other things, says that "the party efforts to support the development of democracy in society must be reflected also in the democratic means of its own operation," basically supports the efforts of the Democratic Left to transform the Communist Party of Bohemia and Moravia into a democratic party. Thus, I believe that there is a chance that the democratic forces could prevail at the extraordinary session of the Communist Party of Bohemia and Moravia Central Committee on 7 September, which is to decide on how the change of name will be implemented and on calling the second congress. Therefore, I am moderately optimistic. The direction of the transformation of the Communist Party of Bohemia and Moravia into a noncommunist type of party may be confirmed, despite the fact that it will be difficult to defeat the clan of orthodox apparatchiks."

[RUDE PRAVO] What if the attempt fails?

[Kraus] We will leave with a clear conscience.

HZDS Advocates Recognition of Slovenia, Croatia

AU0609102291 Prague HOSPODARSKE NOVINY in Czech 2 Sep 91 p 2

[CTK report in the "Parties and Movements" column]

[Text] A session of the leadership of the Movement for Democratic Slovakia [HZDS] took place on 31 August at the Bardejov spa. The leadership issued a resolution in which it emphasized the necessity of a new constitutional arrangement and other steps in the process of transformation in the interest of Slovak prosperity. The HZDS leadership also published a statement on the situation in Yugoslavia, in which, among other things, it said: We completely understand and support the endeavors of Slovenes and Croats regarding the attainment of independence and the right to determine their destiny. Therefore, we appeal to the Federal Assembly deputies to make serious efforts for the official recognition of Slovenia and Croatia as independent entities.

Foreign Minister Dienstbier Visits Portugal

WA0609150391

For Lisbon and Prague reportage on the visit by Foreign Minister Jiri Dienstbier to Portugal, including reports on his talks with Portuguese Foreign Minister Pinheiro, please see the Portugal section of the 6 September West Europe DAILY REPORT and subsequent issues.

MSZOSZ Calls For Immediate Government Talks

LD0509222891 Budapest Kossuth Radio Network in Hungarian 0500 GMT 5 Sep 91

[Text] The National Alliance of Hungarian Trade Unions [MSZOSZ] calls for immediate and wide ranging negotiations with the government, legislative parties, and organizations represented in the Interest Coordination Council, to establish a comprehensive economic and social agreement as soon as possible.

The statement issued following the 4 September conference of the MSZOSZ asks the president of the Republic to be the sponsor of such negotiations. Representatives of other significant trade union alliances participated in the meeting of the trade union with the largest membership—with the exception of the League and the Workers' Council.

According to the MSZOSZ statement, the ever-deepening crisis in the country is being watched by the government and the majority of legislative parties with indifference. Those who call attention to the real problems are branded as an enemy of democracy. The statement adds that the strongest attack of power is directed against those organizations that grouped themselves in alliances, for they are the main adversaries of this policy. Incidentally, it was announced at the conference that, 1.1 million workers have renewed their membership of the MSZOSZ so far.

Government Assails Talk of 'Constitutional Crisis'

LD0509212491 Budapest Kossuth Radio Network in Hungarian 1900 GMT 5 Sep 91

[Text] The Hungarian government regards statements on the possibility of the development of a constitutional crisis related to the institutions of the president of the republic and the public service media, together with certain initiatives that the Constitutional Court has been receiving, as unfounded and, what is more, irresponsible. The statement on today's session of the cabinet stresses that these manifestations shake public faith in legislative democracy, create anguish without cause, and suggest a bad political mood among the citizens. The government, the statement emphasizes, is acting in accordance with the stipulations of the Constitution when it asks for the interpretation of the Constitutional Court so that problems that can be attributed to the overlapping of certain spheres of authority can be avoided. And acting in accordance with the constitutional order excludes even the possibility of a constitutional crisis, the government statement reads.

Experts Examine Defense Industry's Future

LD0509170991 Budapest Kossuth Radio Network in Hungarian 1000 GMT 5 Sep 91

[Text] A Finance Ministry assessment states that 300,000 people are expected to be unemployed by the end of the year. A determining proportion of the unemployed will be from branches that are sustaining losses or have gone bankrupt because of the collapse of CEMA and/or the eastern market. The Hungarian military industry is one of these branches.

Experts taking part in a scientific conference in Budapest have examined the future of the Hungarian defense industry, if it has one at all. Janos Molnar reports:

[Molnar] Hungarian military production has plummeted to 2 billion forints, or 10 percent of the output three years ago. This was reported by Gabor Juhasz.

This is explained by the narrowing of the domestic market, in addition to the collapse of CEMA and the Warsaw Pact. Out of a 54.5 billion forints budget, the Army will be able to spend only one percent on development in 1992—the rest will be consumed by maintenance. What makes the situation more difficult is that the Hungarian defense industry has been producing over 80 percent of its output under Soviet licences, and as a result, the backlog, in terms of a standard, is 10 to 15 years in the radio-electronics branch, the branch that is supposed to pull the others along.

Sandor Balazsy has spoken of the fact that, even in the current, small-volume arms trade, Hungary must finance its imports from its export revenues. Locating new markets is important for the whole economy, because the income from Hungarian weapons exports, in the past, exceeded the costs of imports despite the fact that the Hungarian Army purchased 70 percent of its needs from abroad.

Balazsy believes that for the planned Armed Forces modernization to take place in 1995, the electronics, systems-organizing, R&D, and individual military equipment manufacturing capacity of the defense industry must be maintained, while the branches that are holding the industry back must be gradually eliminated. He believes these tasks must be carried out by a defense industry holding company.

Chief Government Adviser on Economic Program

AU0509170791 Budapest MAGYAR HIRLAP in Hungarian 31 Aug 91 p 11

[Report by Chief Government Adviser Janos Cinkotai: "First Results of Government Program?"]

[Text] Everyone is watching the development of consumer prices like a hawk. If these prices increase just a little slower than the month before, government experts are pleased to report that they have inflation under control. Other economists still point to contradictions and the instability of the situation. The following is an assessment by Janos Cinkotai, but we do not exclude the possibility of publishing the opinions of other experts.

According to the data provided by the Central Statistical Office, consumer price levels rose by 0.9 percent between

June and July. This pace is slower than the one foreseen by the economic policy program for 1991. (This time last year, we had a 2.6 percent increase.)

Compared to the same period last year, growth in the first seven months of this year averaged 36 percent, and it totalled 38.2 percent in July. The price level that developed by the end of July was 2.5 percentage points lower than predicted. The slower pace of growth is partly a result of the fact that last year's price changes had a less extensive effect than predicted, and it is partly due to a more limited pace of increase in price levels this year. The latter is linked to the postponement of a domestic fuel price increase that had been planned just for the end of the heating season, and it is also due to the reduction of certain price increase measures. The fact that local governments postponed their predicted spring rent increase also had a restraining effect on price level increases.

Price levels in 1990 represented a 28.9 percent increase over 1989. Compared to this, the 35 to 38 percent increase predicted in the economic policy program for 1991 is a mathematically higher figure, and it indicates an acceleration of inflation.

However, a more in-depth professional analysis of statistical data proves the opposite. Indeed, if we cleanse inflation rates calculated on a year-to-year basis in 1990 and 1991 (28.9 percent for 1990, and an expected 35-38 percent for this year) of the effects of central measures, we note that in 1990, the monthly pace of price level increases caused by market price increases averaged 1.4 percent, whereas in 1991, they will probably average 1.3 percent. So, from this point of view, inflation is not accelerating; it is stagnating.

Monthly price level increases—always measured according to the previous month—are an indication of the gradual moderation of inflation. In January, this growth rate totalled 7.5 percent, in February it was 4.9 percent, in March it was 3.7 percent, in April it was 2.4 percent, in May it was 2.2 percent, in June it was 2.1 percent, and finally, in July it was only 0.9 percent. In the program previously mentioned, we expected a price level increase to the tune of the aforementioned decrease. Production price indexes reflect the same tendency. They were as follows: In January 8.4 percent, in February 3.6 percent, in March 1.7 percent, in April 0.6 percent, in May 0.6 percent, and in June 0.5 percent. The development of production prices also shows that a downward tendency will exert pressure on consumer prices during the rest of this year.

Internal price development ratios also reflect a more positive image as far as changes in living standards are concerned. For example, within a 36 percent increase rate, the price index for basic goods is lower than average (132.3), whereas the price index for non-essential goods is considerably higher (146.2).

If there is no further price increase or price decrease by the end of this year, the price index for 1991 will not possibly be lower than 134.0.

According to calculations, if during the rest of this year (from August to December) the average monthly increase of total consumer price levels (an increase caused by market price increases) does not exceed 1.5 percent (this would be the same average as in 1990), and if the price index is only affected by the already announced fuel price increase, then the growth rate for this year should fall under 38 percent. That will be rather a great achievement!

The positive price developments of the summer months were primarily the consequence of good agricultural production results and the relative harmony that was maintained between demand—that is, the population's income—and the economy's achievements.

It was also a good thing that the increase in production prices did not completely neutralize the effect of the deduction of compulsory insurance fees from gasoline prices. The increase in contributions to the road fund also burdened production prices. Today, there is an unprecedented supply of goods in Hungary, the forint has not been devalued again, the official exchange rate for the forint has never been this close to the black market rate, and for the first time in many years, there have not been any central price measures in mid-summer (in the past, these were blamed on budget deficits). All these government efforts are factors that have had a considerable influence on price developments.

Based on all this, we can say that for the first time in many years, that in 1991, we have succeeded in containing inflation within our economic policy program.

The following table is an indication of this:

Year	Planned	Actual
1986	5.0	5.3
1987	7.0	8.6
1988	15.0	15.7
1989	13.7	17.0
1990	22-24	28.9
1991	35-38	35-37*

* expected

All this is also rather encouraging for 1992's planned inflation rates. I think that as a result of the positive price developments in 1991, and on the basis of other factors, there are real chances that next year, the growth of inflation will even fall below the level of 1990.

Antall Phones Kohl on SFRY Ministerial Talks

LD0509192191 Budapest MTI in English 1743 GMT 5 Sep 91

[Text] Budapest, September 5 (MTI)—Hungarian Prime Minister Jozsef Antall informed German Chancellor

Helmut Kohl about the Hungarian-Yugoslav prime ministerial talks, and his impressions of the meeting, in the course of a 20-minute telephone coversation.

Antall telephoned Kohl in the early evening hours of Thursday, and, according to information received from the prime ministerial press office, Kohl was very grateful for the information. The German chancellor also briefed Antall about the talks he has recently held with the leaders of other Western countries on this theme.

The two politicians coordinated their thoughts regarding the Yugoslavian crisis. Antall expressed his gratitude for the support provided by the German Government to Hungary so far in the matter of its associate contract to be signed with the EC, and asked for continued German support.

Chancellor Kohl also informed Antall about his telephone conversations with Boris Yeltsin and Soviet President Mikhail Gorbachev, held during the day.

Editorial Views 'Cautious' Recognition of Baltics

AU0509141391 Budapest MAGYAR HIRLAP in Hungarian 3 Sep 91 p 7

[Editorial by Gyorgy Fodor: "We Won!"]

[Text] A week ago, leaving aside the Assembly's agenda, Prime Minister Jozsef Antall listed all the measures that the Hungarian Government had taken over the past few days in the interest of the Baltic states. The government had decided to take these measures over the last few days and hours after the coup—at least, this is what the statement suggested. In his statement, Prime Minister Jozsef Antall promised that legislative measures in connection with the recognition of the Baltic states would be launched this week. The term "diplomatic recognition" was never even mentioned.

On 2 September, Hungary finally recognized the independence of the Baltic states.

A week ago, following Prime Minister Jozsef Antall's speech—more than a dozen countries had recognized the Baltic states by this stage—a representative of the Federation of Young Democrats asked why we were beating about the bush. Indeed, as early as last week, it transpired that more than 30 countries had recognized the Baltic states and that several of them had already sent their ambassadors to the Baltics.

Once again, it became clear that Hungary's foreign policy was being "cautious:" It looked left and right, it justified and explained, it referred to national interests, but it was incapable of speaking clearly or making concrete decisions. Otherwise, why did President Arpad Goncz have to declare in Finland that, "de facto," we had already recognized the Baltic states?

The diplomatic recognition of a few countries is not a horse race; it is not classified according to time or place. Up until the very last minute, the government was generous with its general statements on the Baltics; yet nobody—not even the government—doubted that the recognition of the Baltic states would only be a matter of a short time. That was precisely what we missed in Prime Minister Jozsef Antall's statement last week: A resolute announcement that Hungary wanted to recognize the Baltic states as soon as possible. Otherwise, why did a Hungarian general consul visit the Baltic capitals, and why did we expect the visit of the Baltics' foreign ministers?

Later, we were also told that Hungary had never accepted the annexation of the Baltics. False. Maybe Mr. Jozsef Antall never recognized the annexation—quite rightly so—but the official Hungary very much recognized it at the time. In its relations with the Soviet Union, the Hungarian state recognized as a fact that the three Baltic republics belonged to the Soviet Union, and in its treaties, it tacitly approved of this belonging. Even after the change of regime, it took a coup and the decision of 30 countries to convince the Hungarian Government that it should go beyond a formal decision—which nobody disputed—and actually formulate a clear and easily intelligible statement.

The recognition of the Baltic states is definitely a milestone. With considerable effort, the Baltic countries have finally managed to discard the Molotov-Ribbentrop Pact, which everyone has been belittling for a long time. After some hesitation, Hungary finally realized that sovereignty also involves responsibilities.

So much for the background. The really important point is that the Baltic people won—and that we won. Even Gorbachev "won"—beating himself—because the day before the signing of documents in Budapest, the Soviet president himself recognized the independence of the Baltics.

Draft Constitutional Bill, Amendment Bill Viewed

LD0509172791 Warsaw PAP in English 1443 GMT 5 Sep 91

[Text] Warsaw, Sept. 5—At its meeting scheduled for Friday, September 6, the Sejm, or lower house of Polish Parliament, is going to discuss a government draft of constitutional law "allowing the government to issue decrees with the power of law." The special powers embrace "broadly conceived economic questions," says the substantiation of the draft. Next week, the Sejm is likely to examine a related government draft law to amend the Polish Constitution.

The draft constitutional law gives the government the right to issue decrees whose legal power "would fully correspond to that of laws." The decrees would create new legal regulations and entirely or partially amend the binding laws.

Only the Council of Ministers would have legislative initiative throughout the special powers period and within the scope defined. Controversial drafts, involving a clash of interests of various social groups, might however be submitted for adoption by the Sejm.

The decrees would basically concern broadly conceived economic issues, including the possibility to amend the commercial code. On the other hand, the government will not be able to issue decrees concerning the most important systemic and political questions or those of special importance for civic rights and duties.

Besides, the constitutional tribunal will examine the constitutionality of the government decrees.

Opposition Reported

LD0509224591 Warsaw PAP in English 2151 GMT 5 Sep 91

[Text] Warsaw, Sept. 5—On the eve of the Sejm's (lower house) debate on special powers for the government and days before parliamentary discussion on related constitutional amendments many representatives of political groupings and parties came out against the planned changes.

The All-Polish Alliance of Trade Union (OPZZ) categorically objected in a statement issued Thursday to the plans of reducing the Parliament's role and the domination of executive authorities.

The OPZZ has demanded that the government's special powers be limited to the matters of restructuring and functioning of the economy, with the budget issues as well as employee, social and pensions problems exluded. The OPZZ also opined that the government's special powers should expire on the day the newly elected parliament meets for its first session.

Firm protest against the draft amendments to the Constitution and the envisaged scope of special powers for the government was also voiced by the Democratic Party (SD).

The SD is of the opinion that the adoption of the law would make the Sejm a mere ornamental body with all its powers being transferred to the government and the president. The draft constitutional amendments lead, by means of a political camouflage, to the change of the Polish republic's political system, and SD communique says.

The Democratic Party declared it is ready to support the government's possible initiatives only in regard to the budget and pensions laws.

A negative stand on the proposed constitutional changes was also taken by the Christian-Social Union UCHS which nonetheless said that the government should be granted special powers in dealing with the budget issues. The government's special powers should expire at the end of the term of office of the present Sejm, the UCHS declared.

The planned constitutional amendments were also criticised by most politicians of various orientations interviewed by PAP, and among them representatives of the Polish Peasant Party (PSL), Confederation for Independent Poland (KPN), Social Democracy of the Republic of Poland (SDRP), Real Politics Union and the Forum of Democratic Right (FPD).

The planned changes were supported, with some reservations voiced, by a representative of the Christian National Union (ZCHN) and partly by a Centre Alliance (PC) representative.

OPZZ Opposes Changes

LD0509173191 Warsaw Radio Warszawa Network in Polish 1600 GMT 5 Sep 91

[Text] In connection with the proposal for the special powers for the government, the OPZZ [National Trade Union Accord] presidium expresses deep concern at the manner and contents of the changes proposed. The presidium draws attention to the fact that the draft law was not given to the trade unions for consideration. We are in favor of restricting the period of time in which the powers are valid until the time when the new Sejm of the republic meets for its first sitting. We are categorically opposed to changing the constitutional principles of the state in this manner. A communique of the OPZZ presidium conveyed to the Sejm speaker and chairman of parliamentary floor groups states: We regard the restriction of the role of Parliament and the domination of the executive as a departure from the democratic path, which we are building with such difficulty in Poland.

Diplomatic Ties With Lithuania Reestablished

LD0609072391 Warsaw TVP Television Network in Polish 2057 GMT 5 Sep 91

[Text] Diplomatic relations between Poland and Lithuania have been restored. Representatives of the Polish Foreign Ministry were presented with a note that represents a reply to the proposal to re-establish mutual relations.

Asked about the dissolution by the Lithuanian authorities of the district councils in the Polish districts of Vilnius and Siaulaiciai, Lithuania's Deputy Foreign Minister Woldemaras Katkus said: It is a very complicated matter. Lithuania's authorities made this decision after receiving a prosecutor's office report regarding the actions of these councils during the Moscow coup.

Skubiszewski Discusses Soviet Treaty, CSFR

LD0509163991 Warsaw PAP in English 1500 GMT 5 Sep 91

[Text] Warsaw, Sept. 5—Polish Foreign Minister Krzysztof Skubiszewski, rejecting recent accusations of the lack of an active Polish eastern policy, said on Thursday that such a policy "was being pursued intensively for months, that is from the time when some of the Soviet Republics declared their sovereignty last year."

"We opened ourselves to contacts, we showed a far-reaching initiative as part of our entire eastern policy months ago. The republics did not always take advantage of that," said Skubiszewski adding that this stemmed from the limitations they faced: till the coup their situation was very difficult.

The dual nature of contacts with the East, namely contacts with the centre and republics, "was (an act) of looking ahead and proof of our vision..," said the minister, adding that at a certain period of time "we could not embarrass the republics with our initiatives. A policy of lively contacts with the republics had to be characterized by a certain amount of finesse."

Asked about his visit to Lithuania, Skubiszewski replied that he will go there when the Polish-Lithuanian declaration is ready to sign. "There have been problems with the Polish minority, about which I cannot forget," said the minister.

While speaking of the Polish-Soviet treaty, Minister Skubiszewski recalled difficulties linked with the wording of the security clauses. "In the current situation, I count on the return of the foreign policy as has been pursued by Shevardnadze, what will permit us to overcome this problem."

If the Soviet Union continues to exist and the signing of the treaty becomes topical, then the issue is bound to crop up of signing similar agreements with the republics, Skubiszewski opined. "I spoke about this while in Moscow last year, but at that time the Russian Federation was very cautious about the issue," said Minister Skubiszewski.

Minister Skubiszewski also told newsmen on Thursday that he attaches great importance to the Weimar Declaration signed by Polish, French and German foreign ministers last week.

The document means very close cooperation of three large countries on the East-West line. "This is a beginning which should be looked after, and I will do so so long as I am in the Foreign Ministry building to the moment of the elections," Skubiszewski assured.

Referring to the announced visit by President Lech Walesa to Czechoslovakia, the minister said that it will not be a courtesy visit: There will be "concrete talks." There are no controversial issues in Polish-Czechoslovak relations. Waiting to be signed is a treaty on cooperation, replacing an outdated alliance from the past times. "The contact between President Walesa and President Havel is good—that was confirmed during the days of the coup in the USSR," said Minister Skubiszewski.

CSFR Defense Minister Stresses Cooperation

LD0609030891 Warsaw PAP in English 1947 GMT 5 Sep 91

[Text] Warsaw, Sept. 5—Czechoslovak Defence Minister Lubos Dobrovsky arrived here Thursday evening on a four-day official visit paid at the invitation of Poland's Defence Minister Vice Admiral Piotr Kolodziejczyk.

"It will be very important to develop the cooperation betweeen the Polish and Czechoslovak Armed Forces in the face of the new situation in Europe and especially the disintegration of the Soviet Union," Dobrovsky said upon his arrival in Warsaw.

He also declared that states neighbouring on the USSR should react to its collapse by increasing their defence capacity. He criticised, however, the idea of Poland, Hungary and Czechoslovakia forming a military bloc as unrealistic and opined that the three countries should coordinate their defence policies in a way which would suit their individual interests as well.

Civic Alliance Leaders Discuss Political Scene

AU0509143391 Bucharest DREPTATEA in Romanian 29 Aug 91 p 2

[Claudiu Doltu report on news conference of Civic Alliance Party in Bucharest on 26 August: "Civic Alliance Party's News Conference"]

[Text] On 26 August, the leadership of the Civic Alliance Party [PAC] held a news conference. Messrs. Nicolae Manolescu (the party's president), Stelian Tanase and Alexandru Popovici (vice presidents), together with other members of the party's leadership (Stere Gulea, Stefan Radoff) answered questions by representatives of the mass media.

—To the question: "Will you run on common lists with the other opposition parties at the next local elections?", the answer given was: "At a central level, we had contacts in this respect with the parties belonging to the Convention for the Establishment of Democracy. On Wednesday, 28 August, we will meet again with their representatives. At the local level, each branch is free to choose its coalition partners; if they think this is not necessary, they need not enter into any alliances."

—The phrase "We Can Only Succeed Together" differs substantially from the "consensus" invoked by the FSN [National Salvation Front]

—Concerning the recently launched idea [we do not know by whom] about a PAC-FSN rapprochement: "Our party does not plan to enter into an alliance with the FSN."

—At the start of last week, we turned to the ruling party to admonish it for the delay in reacting to events in the USSR. Stelian Tanase made a clear distinction: "PAC addressed itself not to the FSN, but to the (currently) ruling party."

—The future plans of this political grouping include the possibility of editing a Western-type newspaper. Due to lack of money, the idea is, for the time being, in the project stage. Until then, PAC is the only political grouping in the country that cannot carry out its activity, because none of its county branches has a headquarters building.

—Concerning the possibility of inviting King Mihai to visit the country: "Of course, such a proposal must be made by the National Committee and submitted to a vote. For the time being, no such proposal has been made." (Stelian Tanase)

—On its position vis-a-vis parties of communist orientation: "We ask the current ruling power to begin a discussion on the material and moral damage done by the RCP [Romanian Communist Party] to the Romanian people. The guilty ones should pay. Not all members of that party are responsible for the current national disaster."

—On the effects of the communist dictatorships: "The slave mentality placed us in an unfavorable light. If we do not take our fate into our own hands, we will miss the chance to assert ourselves as an entity in Europe. (Stere Gulea)

—On the current legislation: "The Law on the Land Stock amounts to a new kolkhoz trend. The provision that makes the granting of assistance dependent on joining an association is scandalous. It is absolutely necessary to abolish the state agricultural enterprises and distribute the inventory of the machine and tractor stations among the population. The possibility of limiting the right to ownership is even stipulated in the current draft constitution. "Such 'lapses' prove the true nature of those in power." (Stelian Tanase)

—Nicolae Manolescu's initial and second complaint against C. V. Tudor [chief editor of ROMANIA MARE] have been deposited with the General Prosecutor's Office since August 1991 (of course, without being resolved).

—During the news conference, Sapinta Mayor Toader Stetca also took the floor: "It is a sin to join 'them' along the way. Many Maramures mayors have been prosecuted for the 'guilt' of abolishing the agricultural production cooperatives." A moment of relaxation was created by the now famous Maramures mayor, who, when referring to the situation in the USSR, mentioned the measures taken by the Moscow leadership to "abolish the RCP." Beyond the joke and the "mistake" (RCP-CPSU], we recall Freud's explanation, which claimed that many slips of the tongue actually reflect subconscious desires.

—We would also like to see an end to communist parties, which can always create tension or (maybe) have been created for this very purpose. Even if we advance toward a free society, all we are doing now is but to emulate democracy. Any radical measure (such as the abolition of a party) can cause disturbances. However, the groupings with which one cannot talk should be banned. True national reconciliation cannot be achieved with extremists parties. Until the Communist Party submits itself to judgment of the crimes committed on behalf of its ideology, it should not have the right to public activities. (Stere Gulea and Nicolae Manolescu)

FSN Asks Deputies' Assembly To Ban Communists

AU0509150191 Bucharest ROMPRES in English 1400 GMT 5 Sep 91

[Text] Bucharest ROMPRES, 5/9/1991—The proceedings of the Assembly of Deputies continued on Thursday [5 September] morning when the bill on Romania's state frontiers was discussed and adopted. The Assembly of Deputies decided that Romania's borders should be guarded and surveyed under the Ministry of the Interior. As many as 25 articles from that bill were validated.

In the second half of the meeting, Ioan Moldovan (the National Salvation Front) read a communique by the party that initiated the Charter for Reform and Democracy—the National Salvation Front [FSN], the National Liberal Party-Young Wing, the Ecology Movement and the Agrarian Democratic Party—requesting justice to inquire into the legality of the creation and activity of the Romanian Communist Party and the Socialist Party of Labour, of other political groups whose ideology and activity are of a communist or fascist nature.

PNL Asks Senate For Communist Party Ban

AU0509150391 Bucharest ROMPRES in English 1358 GMT 5 Sep 91

[Text] Bucharest ROMPRES, 5/9/1991—In the Thursday [5 September] sitting of Romania's Senate the parliamentary group of the National Liberal Party [PNL] requested that an initiative on a complete ban of the Romanian Communist Party, on all its forms of political and ideological representation and a ban on all political groups and structures of a communist nature should be submitted for emergency debate to the two parliamentary chambers. The six-point memorandum to that legislative proposal was read by PNL Chairman Radu Campeanu.

The Senate also discussed the bill on penalties for deeds violating norms of social coexistence, public order and quiet.

Verdet Rejects Communist Label; Opposes Ban

AU0509201491 Bucharest ROMPRES in English 1856 GMT 9 Sep 91

[Text] Bucharest ROMPRES, 5/9/1991—At a press conference held Thursday, 5 September, Socialist Party of Labour [PSM] President Ilie Verdet termed as "absurd" the request of some political parties, of some of their representatives in Parliament that his party should be banned and outlawed on the allegation that PSM were the same as RCP [Romanian Communist Party] and that during the putch against Gorbachev he had intended to restore communist dictatorship in Romania.

"There is no evidence to sustain such intention" he said and labelled the allegation as a "coarse calumny," accusing those who made it of "trying to gain political capital from the recent international development, for the coming electoral campaign in Romania."

In his statement, the PSM leader said that his party's platform and statute make it different from the RCP, reject any form of dictatorship, the one-party leadership, theory and practices. His party, he said, is for a multiparty political system, for pluralism of opinion and political options, for a real economic reform, tuned to this country's situation.

Iliescu Replies to Antall Message on Relations

AU0509194191 Bucharest ROMPRES in English 1810 GMT 5 Sep 91

[Text] Bucharest ROMPRES, 5/9/1991—President Ion Iliescu of Romania sent a letter to Hungarian Prime Minister Joszef Antall in reply to the latter's message of May 1991.

After referring to the meetings they had in London and Prague, and to the meeting with President Arpad Goncz in Tokyo, President Iliescu writes:

"I have reflected upon your message, with the hope that our relationships would assume such positive course as to render a summit meeting apt to offer, by its results, a most adequate answer to the responsibility we share for the promotion of the Romanian-Hungarian relations.

I assure you of my readiness to have talks both with you and with President Arpad Goncz, either in Bucharest or in Budapest. My belief is that such meetings, freed of conventionalism or pre-established conditions, could significantly contribute to the positive course of the bilateral relations.

In this spirit, I do believe that Hungarian competent governmental bodies and you personally will pay the same attention as the Romanian side does to the inception as soon as possible of the negotiations on a new treaty of understanding, cooperation and good neighbourliness, the draft of which was conveyed to you. The treaty is meant to place the entirety of the bilateral Romanian- Hungarian relationships on new foundations, inspirited by modern European standards, to outline the fundamental principles of our bilateral relations in accordance with the two countries' interests."

The letter further expresses the opinion that the time had come for the foreign ministers of the two countries to have not just occasional, but regular meetings in the capitals of the two countries, thus setting up the appropriate conditions to tackle the whole range of issues in the bilateral relations.

"In the spirit of frankness, that should be the tenor of all our dialogues, I wish to avail myself of this opportunity to stress that we understand the interest you show for the Hungarians outside national frontiers, just as we are concerned about the fate of the Romanians in other countries. But I think this cannot justify in any way the interference of governmental bodies in the relations between the citizens of other countries and their legitimate authorities, as it does not justify the "tutelage" of their political or cultural activities.

For those who watch, with an honest eye, the changes that have taken place in Romania since the December 1989 revolution, the huge strides towards asserting democratic values, the rights of the Hungarian minority included, are a fact of undisputed evidence.

I cannot but rejoice at your statement that you are trying to do everything necessary to allow the Hungarian citizens of Romanian origin enjoy, in the future, a status at European level."

The letter ends with President Iliescu's belief that only an open-minded and constructive approach of all the aspects of the bilateral relations between Romania and Hungary, in the spirit and letter of the Helsinki Final Act and of the Paris Charter could form the necessary basis for decisive steps towards a substantial development of relations between Romania and Hungary.

Daily Criticizes FSN, Traces of Communism

AU0609090391 Bucharest ROMANIA LIBERA in Romanian 5 Sep 91 pp 1, 4

["Letter from Sweden, by Ana-Maria Narti: 'The Empire of Murderers Is Collapsing'"]

[Text] The failure of the coup d'etat in the USSR has an overwhelming significance for Romania. The August 1991 events in Moscow are the spitting image, in bright colors, of the dark things that have happened in our country since December 1989.

What the Soviet junta failed to accomplish was fully achieved in Romania, brutally at first—through violence and lies in December 1989 and in January, February, March, and June 1990—and then slowly, through political manipulations that have taken and are taking place all the time. Therefore, the 1990 elections cannot be considered as having been truly free.

The systems engaged in the political struggle are the same in Romania and the Soviet Union. Their action methods are also the same. The difference derives from the circumstances in which the two popular revolutions occurred. The revolt of politicians, soldiers, and simple people in the Soviet Union is a result of years of changes and reforms, during which time the soldiers making up the KGB troops have learned to think and act differently from the days of Stalinism. The spontaneous anticommunist Romanian uprising in December 1989 took place, quite unexpectedly, in one of the most ferocious countries of terror. When Ceausescu fell, all the systems of violence and death remained intact, and the leaders of those systems are now using them against the people. That is why they managed to steal the revolution.

The Romanians should not lose heart when thinking of this chain of hideous deeds: On the contrary, in the light of the changes taking place in Moscow, we can clearly see why we were defeated. Now, we have the opportunity to resume the struggle from new positions because everything demanded by the Romanian democratic movement as of January 1990 is being accomplished with lightening speed in Moscow.

The arguments that the democratic movement should use now are clear; the principles that will guide the second Romanian revolution—a nonviolent but extremely intensive anticommunist revolution—are also quite clear.

President Ion Iliescu has disqualified himself. He was exposed not only by the delay in taking a stand against the outburst of violence in the Soviet Union; the worst thing he did was to sign the pact that tied Romania's fate to the situation in the Soviet Union, thus giving in to the dictate imposed by the Stalinists hiding behind Gorbachev's back. To put Romania's future at stake by subordinating it to Soviet policy, at a time when civil war may have been knocking at the door over there, was and is a crime.

What need can a country aspiring to democracy have for a president who has confessed, in words and deeds, his belief in political systems built on oppression? How can Ion Iliescu lead the Romanians toward democracy, when all his deeds isolate Romania from the rest of Europe? If the policy of the post-Ceausescu regime had been the slightest bit democratic, then Romania would have today been associated with Poland, Czechoslovakia, and Hungary, and the gates to the European Community would have been open. The way in which the restructuring of the Ceausescu system has been conducted achieved only one thing: The total distrust of all democratic states for the so-called original democracy of the emanators [the National Salvation Front (FSN) calls itself the emanator of the revolution] from Bucharest.

The FSN parliament and government are not in a much better position than the president in the exercising of their functions, when viewed in the light of the changes in Moscow. The members of these bodies are responsible for a whole number of new laws—truly undemocratic ones—that are not meant to safeguard the observance of human rights and each citizen's security, but are specially designed to ensure that a group of privileged people, totally devoid of any morals, have the monopoly on power. Today, Romania is the only European country whose laws permit and encourage the use of the army against the people and consolidate so-called state security services, which then become a state within a state. The backbone of totalitarianism is thus remade. What do we know today, almost two years after the anti-Ceausescu revolution, about the wealth of the Communist Party, about the Securitate archives, about the so-called terrorists of December 1989 and January 1990, and about the relations between the Romanian dictatorship and the terrorist organizations in other countries? When will we too have a Yeltsin capable of eliminating the lies covering the mountains of dirty deals in a country that is on the threshold of becoming a monstrous hybrid of Mafia-type capitalism and totalitarianism?

The hot days in Moscow showed that democracy cannot triumph in states that preserve the terror's systems of repression. The same hot days proved that the fate of democracy is inextricably linked to the existence of systems of communication with the masses that are independent of state power, particularly television and

radio stations over which the government and security services exert no influence. All Romanians know that the struggle for the independence of the television and radio was blocked by the FSN, Ion Iliescu, and Petre Roman. How long will they be allowed to thus deny freedom to mass communications? How long will they be allowed to terrorize the free press with threats, slander, and economic and administrative measures designed to neutralize critical newspapers and magazines?

There are other things that clearly speak against the FSN parliamentarians and the ministers led by Petre Roman. While criticism of the extreme nationalistic trends is limited to some anemic mumbling within these groups, more than generous material and practical support is given to groups and individuals linked to this movement of hatred.

The pasts of some FSN politicians are in themselves a shameful stain on the Romanian state. Western politicians in important positions can always learn (and they do) more than surprising details about individuals such as Vasile Mois, Dan Iosif, Gelu Voican-Voiculescu, and so forth. In any civilized world, such adventurous biographies would immediately exclude anyone from the political life. The result of the scandalous details of these FSN politicians' past can only be one: An even greater isolation of Romania. Who would conclude significant international agreements with some FSN representatives whose biographies prove to be anything but guarantees of trust?

In the Soviet Union, thorough steps are being taken to control the systems of repression, the wealth of the Communist party, the archives of the security services, the role and function of the elite troops, and the less well-known activities of the leaderships of the Communist party, while the communist newspapers have been suspended, for the time being. The entire military system will be reformed, and the freedom of information and thinking is gaining new stability. The democratic movement in Romania can and must use this moment to start a new offensive against the totalitarianism disguised as original democracy. It is true that the Romanian revolution was stolen, but the rule of thieves cannot last long in a single country, when the empire of international communist banditry is collapsing.

Iliescu on Relations With Israel, Political Views

TA0509153391 Tel Aviv HA'ARETZ in Hebrew 5 Sep 91 p B2

[Interview with President Ion Iliescu by 'Aqiva Eldar at the King David Hotel in Jerusalem; date not given]

[Text] [Eldar] What makes a visit to Israel special for a Romanian leader?

[Iliescu] First of all, it was a political decision to make a historic move that would demonstrate the relations between the two countries. The decision was made by both sides. We noted this in our first meeting with President Hayim Herzog in Tokyo and subsequently with Prime Minister Yitzhaq Shamir in London. We have now found a common interest that will form the cornerstone of a new era in our relations. Israel is of special interest to us, the Romanians, because the large community of Romanian-born Israelis makes it possible to attain a better understanding of processes our country is currently undergoing and to develop ties in every sphere.

[Eldar] I was under the impression that your visit here had a so-called "apologetic" dimension. You were obliged to apologize for anti-Semitism in Romania, for confiscated Jewish property, and for the PLO operation in Bucharest.

[Iliescu] I do not think this is a correct definition. I did not apologize, because I have been an antifascist all my life, and we have a clear stand on the issue of anti-Semitism, which we have expressed. This phenomenon is a dangerous disease, and we believe that, in principle, it should be eradicated, because it goes against our nature and against our desire to develop democracy in our country.

[Eldar] But freedom of speech is an important foundation of every democratic society. How do you explain the contradiction between this principle and the desire to inhibit expressions of nationalism and anti-Semitism?

[Iliescu] Of course. You must understand this phenomenon within the context of freedom of expression. Anti-Semitism and racism can be found even in countries that have a long-standing democratic tradition; this does not negate the democratic character of those countries. This is the framework in which you should judge similar phenomena in Romania as well. At the same time, we believe that it is our political and constitutional duty to eliminate these dangerous trends from our society.

[Eldar] This is not a price you are willing to pay for democracy?

[Iliescu] Every radical movement endangers society, but you must understand that at such critical times, economically and socially, such extreme expressions tend to emerge.

[Eldar] In an interview with LE MONDE in March 1990, you said that the Romanian society is still suffering from the Ceausescu syndrome, which created a society governed by mistrust and suspicion. Does your country still suffer from these symptoms?

[Iliescu] There has naturally been a positive development in wide areas of life, but some remains of that phenomenon survive. In the 18 months since the December revolution, profound and far-reaching changes have taken place, as you can see from the disappearance of the unipartite system that led the country and the appearance of pluralism and a multipartite system and of a freedom of speech and of organization. We have held free elections, and our constitution

will be completed within two or three months, after the general parliament and presidential elections. Soon we will also hold free local elections. Politically, we have taken an important step forward, but the problem of the national mentality remains. After such a long period of totalitarianism, you can understand how difficult it is to alter that mentality.

[Eldar] Do you, a man who has lived most of his life under such a regime, also find it difficult to adapt yourself to the democratic rules of the game?

[Iliescu] This complex process is difficult for everyone, but we are all determined to prevent history from repeating itself.

[Eldar] Do you personally enjoy the atmosphere of freedom?

[Iliescu] I have fought for this principle and for the development of democratic thinking. As a member of the Communist Party, I always encouraged free contacts with the public—which was the reason for the rift between me and Ceausescu in 1971.

[Eldar] A democratic perception does not end at one's country's doorstep. Are you in favor of political rights for the Palestinian people, including a right to view the PLO as their legitimate representative? Our prime minister's bureau has issued a statement saying you have apologized for the PLO's maintaining an office in Bucharest, which you explained a legacy of the past.

[Iliescu] It is indeed a legacy; we have to take into account the circumstances in the Arab world and to maintain good relations with all the Arab countries. Therein lies the logic of diplomacy. However, the most dramatic change in our foreign policy was the removal of ideological elements that had a role in foreign policy during the Ceausescu regime. We are building our present relationships with foreign countries in the spirit of democratic principles. As for the Palestinian problem, we believe the Palestinians must attain self-determination. Our relations with the PLO are now in a period of freeze. We are not trying to develop any special ties with them; we have settled for a formal preservation of the existing relations. On the other hand, we are developing our ties with countries with which we had no relations in the past, such as Saudi Arabia and the moderate Gulf states. We would like to contribute to the creation of a better climate in that part of the world. I have heard your leaders, too, express realistic and interesting approaches to the solution of the region's problem.

[Eldar] In view of the recent abundance of European nations demanding and implementing self-determination, do you believe Israel can continue to govern a million and a half Arabs and expect the world to remain silent?

[Iliescu] I cannot discuss this complex issue. From the humane point of view, one has to understand the Palestinians' position, but practical solutions depend on future developments.

[Eldar] I understand that in your talks here, you said that if we wish to live in peace with our neighbors, we will have to achieve a territorial compromise and to acknowledge their right for self-determination.

[Iliescu] Yes. I do not pretend to offer solutions; your leaders are more familiar with this part of the world. I have heard Shamir and Shim'on Peres express some very interesting approaches with regard to the process and bilateral talks with the conference participants.

[Eldar] For many years, we enjoyed unique ties with Romania because you were the only Warsaw Pact country to have maintained relations with us. Now Israel seems to have forgotten that past kindness and treats Romania as it does Hungary or Poland.

[Iliescu] Despite all the negative elements of Ceausescu's policy, his line on this matter was more fitting than that of the other East European leaders. His approach was the result of a combination of circumstances and ideology that the USSR respected. As far back as 1964, a year before Ceausescu's rise, Romania and Czechoslovakia took a determined stand against Khrushchev's plan to create economic integration between the USSR and the East Bloc countries. This was the approach of the Romanian leadership, which was more careful to preserve its national dignity than any other country.

[Eldar] Is it true that Romania is courting Israel in the hope that U.S. Jewry will repay it by lobbying in the U.S. Congress, by beings its advocates? Does Romania truly believe in the power of the international Jew?

[Iliescu] We believe that all our friends would like to uphold the concept that every East European country is entitled to be treated decently and not be the victim of any kind of discrimination. I believe that in our recent contacts with the Americans, including talks with George Bush and James Baker, we managed to impart this idea to them. The result was reflected both in progress in the context of the Jackson-Vanik amendment and in the revised attitude of the EC—mainly after the aborted coup in the USSR—toward all East European countries, including Romania.

[Eldar] And since Israel has no money, do you expect it to contribute some of its clout?

[Iliescu] Certainly; the Israeli leadership is taking action in that direction.

[Eldar] On the other hand, you heard here that our government expects Romania to compensate the Jews whose property you nationalized.

[Iliescu] We cannot do this now. Although we are generally generous, today we need assistance, and doing this will be very difficult. The question of Jewish property is

a constitutional one, and it concerns the right to hold property, laws on land ownership, and privatization. These issues will be dealt with on a parliamentary level because this is a general problem for many Romanian citizens as well. We will deal with it in a realistic approach.

[Eldar] Are you a Communist?

[Iliescu] Now?

[Eldar] Yes.

[Iliescu] Of course not. The changes Romania underwent involved a deep and radical cut away from the communist system and the totalitarian regime.

[Eldar] Do you agree with President Bush that communism is dead?

[Iliescu] Yes, historically speaking.

[Eldar] What do you think should replace communism? The capitalistic system that does not guarantee social justice but works?

[Iliescu] This is a universal development. Capitalism is changing its shape around the world. In the previous century, capitalism was primitive. The capitalistic society today develops differently: Social protections have been recognized and are even growing in all the developing countries. As far as we are concerned, the creation of a dynamic and efficient economy based on free market laws goes hand in hand with taking steps for social protection. We aspire to combine both.

[Eldar] What paved the way for the dramatic changes you are talking about was, undoubtedly, the revolution Gorbachev introduced through perestroyka and glasnost. He also paved the way for the Soviet empire crumbling into countless pieces. What effect will this have on Romania? For example, Moldova, which used to be part of Romania, has now declared its independence.

[Iliescu] This is the last multinational empire to crumble. Naturally, we are directly tied to Moldova and to the populations of Bessarabia and Bukovina, and we hold a very positive view of these developments, which represent the general direction of contemporary society.

Council of Europe Membership Discussed

AU0509184291 Bucharest ROMPRES in English 1543 GMT 5 Sep 91

[Text] Bucharest ROMPRES, 5/9/1991—Bruno Steganini, chairman of the Committee for Parliamentary and Public Relations of the Parliamentary Assembly of the Council of Europe had Thursday, 5 September, at Senate's seat, an interview with members of the Senate's Commission for Human Rights, and of the lower chamber's Commission for Human Rights, Religious Denominations and Minorities.

"The Council of Europe is equally sensitive to the issue of tutelage over the minorities," said Mr. Steganini, showing that his impression in this respect was rather critical, in the sense that not enough guarantees are given for the observance of their rights.

"In Romania all minorities are represented in Parliament, which is a singular situation in Europe," was the reply of the chairman of the lower chamber's Commission for Human Rights, Denominations and Minorities. He then gave the guest detailed information on the educational and cultural establishments of the Hungarian minority, on other facilities given to it.

"You have been misinformed on the matter, and we all expected it to be so, because we know about the unfair and disloyal campaign being waged against Romanians," added National Peasant Party deputy Petre Maier.

In conclusion, the envoy promised to inform the Council of Europe about the observations made during his fact-finding visit in Romania and to recommend Romania's admission to this body.

Academician Alexandru Barladeanu, president of Romania's Senate and Dan Martian, speaker of the Assembly of Deputies, received Thursday, 5 September, at the Senate headquarters, Bruno Steganini, chairman of the Parliamentary and Public Relations Committee of the Parliamentary Assembly of the Council of Europe.

"I think Romania's political isolation is unjust, it is harmful, and not only to Romania, it isn't useful to international bodies either, said Mr. Steganini on the occasion. He added: "I shall plead for Romania to join the Council of Europe next summer as a full member, a status that was also granted to Hungary, Czechoslovakia, Poland. I am sure Romania is really heading towards democracy."

Bruno Steganini also expressed his satisfaction at Romania's draft constitution, considered to be "modern, similar with the constitutions of advanced democracies."

Federal

Mesic Threatens To Resign Over Army Withdrawal

LD0609095991 Belgrade TANJUG Domestic Service in Serbo-Croatian 0924 GMT 6 Sep 91

[Text] Madrid, 6 Sep (TANJUG)—In a statement for Spanish TV Canal Sur, Stipe Mesic, president of the SFRY Presidency, announced that he will resign unless the Yugoslav Army withdraws to the barracks once The Hague peace conference starts.

Mesic said that he will do this as early as next week. He added that in that case, "the break between Croatia and Yugoslavia will be final". He added that the EC will decide to officially recognize Croatia and Slovenia as independent countries at The Hague conference.

Mesic Says Army Plan Violates Previous Agreements

AU0509151991 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 5 Sep 91

[Text] Stipe Mesic, president of the SFRY Presidency, today sent a letter to the Federal Secretariat for National Defense in which he stressed that it is impossible to impose conditions about the withdrawal of the Yugoslav Peoples' Army into the barracks.

Mesic warned that the plan of measures and tasks for the implementation of the cease-fire agreement that the Army's leadership presented to the SFRY Presidency does not comply with the provisions of the agreement on a cease-fire and the memorandum on the extended work of the observers' mission in Yugoslavia.

President Mesic also pointed out that the cease-fire agreement precisely states that Army units must unconditionally withdraw into the barracks.

Press: Views on Peace Conference Prospects

LD0509172291 Belgrade TANJUG in English 1609 GMT 5 Sep 91

[Text] Belgrade, September 5 (TANJUG)—The internationalization of the Yugoslav crisis and the convening of a peace conference in The Hague, are the main topics of numerous commentaries in the Yugoslav press which have differing views on the matter.

The daily OSLOBODJENJE writes today that the creation of a third Yugoslavia and 'conceived in The Hague,' is on the horizon, and that it will very likely be 'put together' by an alliance of 'rich and self-satisfied' European countries at the peace conference.

'This is no longer a struggle for Yugoslavia, but for the remainder of its international-legal subjectivity,' writes the daily.

'Europe no longer opposes border changes and Yugoslavia's international legal subjectivity has been relativized to such an extent, that there is only opposition to a forceful change of borders,' writes OSLOBODJENE.

The Belgrade daily POLITIKA points out that an international conference of such importance has never been called with such haste and insufficient legal preparations.

POLITIKA writes that The Hague conference is both a great chance and a big risk. 'Clouds' hover over the conference, and it remains to be seen if it will 'be held at all, or if it will be blown away by the war which rages after the signing of the ceasefire in Belgrade.'

The Belgrade daily BORBA recalls that the evolution of Europe's stands on the Yugoslav crisis shows that Europe has understood that the problem cannot be reduced to a Serbian-Croatian dispute and armed conflict.

'European ministers have realized in the past month, that the Yugoslav crisis cannot be reduced to a dispute between Serbia and Croatia and armed conflict, but that a solution must be sought with the participation of all the other republics.'

'For this reason Europe has lately been mentioning Macedonia and Bosnia-Hercegovina, in the event that it has to play its last card and recognize the independence of certain republics,' concludes BORBA.

The Titograd daily POBJEDA writes that 'twice in history Yugoslavia was created as the result of its peoples' aspirations and international agreements,' and adds that it seems that this will happen for the third time in The Hague.

'Obviously Europe is fed up with the conflicts in our country which are disturbing certain global processes,' writes the daily and adds that, 'this time it should show greater patience, understanding and favour compromise solutions, instead of coming up with ready-made documents such as those from Brussels,' writes POBJEDA.

NOVA MAKEDONIJA from Skopje shows no suprise at the speed with which the peace conference on Yugoslavia has been called.

'European Community (E.C.) members are well aware of Yugoslavia's inefficiency, incapacity and intolerance in mutual negotiations on finding a solution to the crisis. So far, no single decision made by the state leadership has been carried out fully,' writes the daily.

'The peace conference is the best way to achieve, with Europe's help, that which we could not do on our own,' concludes NOVA MAKEDONIJA.

The Zagreb daily VJESNIK underscores that the conference in The Hague is 'the most tragic message of the ten years' downfall of a community whose political leaders had not managed to carry out a change of order in a

peaceful and civilized manner.' Referring to the situation in Croatia, VJESNIK writes that it is the result of a strategy aimed at internationalizing the Yugoslav crisis, but at a very high price.

The Ljubljana daily DELO writes that Italy's stands are close to those of Germany and Austria, but that Italy had accepted the stand of the majority in Brussels, that the recognition of Slovenia and Croatia would intensify the war in Yugoslavia.

'Following recognition, these republics would live in the illusion that they could expect other forms of aid,' writes DELO and adds that the E.C. 'would certainly not give aid in arms.'

In the event of increased intolerance from the other side, this would, in the long run, mean a deterioration of Slovenia's and Croatia's positions, warns DELO.

Presidency Members, Presidents Invited to Hague

AU0509200091 Belgrade RTV Sat TV in Serbo-Croatian 1730 GMT 5 Sep 91

[Text] TANJUG has learned unofficially that all members of the SFRY Presidency have received individual invitations from the chairman of the EC Ministerial Council, Netherlands Foreign Minister Hans van den Broek, to attend the conference in the capital of the Netherlands.

Stjepan Mesic is going to travel to The Hague. Associates in the cabinet of Vice President Branko Kostic say that, so far, they do not know what his position is. Dr. Janez Drnovsek will accept the invitation and actively participate in the conference. The cabinet of Dr. Borisav Jovic reports that he is preparing for the trip to the Netherlands. Dr. Vasil Tupurkovski will also take part in the conference, as will Sejdo Bajramovic. One could not reach Bogic Bogicevic and Jugoslav Kostic in the Palace of the Federation today, so we were unable to learn what their positions are.

As regards the presidents of the republics, Slobodan Milosevic will participate in the peace conference, the Serbian Government said yesterday. Momir Bulatovic has decided to travel to The Hague. According to news from Skopje, Kiro Gligorov will attend. The cabinet of Alija Izetbegovic has informed TANJUG that he will also attend the peace conference. As regards Milan Kucan, the Slovene Presidency is holding a meeting in Ljubljana today at which the Presidency will establish the platform for his attendance in The Hague and decide who will comprise the Slovene delegation. So far, there has been no official announcement in Zagreb about whether Dr. Franjo Tudjman will travel to the capital of the Netherlands.

Ante Markovic was one of the first Yugoslav leaders to accept the invitation to participate at the peace conference in The Hague.

Presidency Adopts Mesic's Planned Hague Address

LD0609132591 Belgrade TANJUG in English 1234 GMT 6 Sep 91

[Text] Belgrade, Sept 6 (TANJUG)—The Yugoslav State Presidency today unanimously adopted the text of the address which its President Stjepan Mesic will deliver at the peace conference on Yugosalvia opening tomorrow in The Hague.

TANJUG learns that the session in Belgrade was attended by all Presidency members.

The sole item on the agenda was participation of the eight-member collective head of the Yugoslav State in the conference organized by the European Community.

The conference is to be attended by the E.C. foreign ministers, Yugoslav Prime Minister Ante Markovic and the presidents of the six Yugoslav republics.

Hague Peace Conference Stance Outlined

LD0509213391 Ljubljana Radio Slovenia Network in Slovene 2000 GMT 5 Sep 91

[Text] The Presidency of Slovenia held a meeting in Ljubljana this afternoon to determine the guidelines for the participation of the Slovenian delegation in the Saturday conference on Yugoslavia in the Dutch capital of The Hague. The delegation will include Milan Kucan, president of Slovenia; Dr. Janez Drnovsek, Slovene member of the Yugoslav Presidency; and Dr. Dimitrij Rupel, Slovene foreign minister.

The presidency emphasized that it is impossible for the conference in The Hague to interrupt the course of disassociation of Slovenia from Yugoslavia and that the Slovenian negotiating position will be based on all documents of independence of the Republic of Slovenia. The Presidency of Slovenia also noted that the proposal of the Yugoslav Foreign Ministry concerning the agenda of the peace conference in The Hague, which aims at preserving the union of sovereign states of Yugoslavia, is not acceptable to Slovenia and that our negotiators will therefore strive to prevent the adoption of this proposal.

The Slovenian delegation will insist that the time limit of the moratorium on independence not be changed, because it seems that the peace conference will last several months, during which the economic exhaustion of Slovenia would continue.

To achieve the best coordination of negotiating positions, the Slovene delegation will hold talks tonight with a group of experts on international law, and tomorrow morning with representatives of Slovenes in Italy and Austria and representatives of the Italian and Hungarian nationalities in Slovenia.

Defense Secretariat Replies to Mesic Letter

LD0509185691 Zagreb HTV Sat TV in Serbo-Croatian 1730 GMT 5 Sep 91

[Text] The Federal Secretariat for National Defense has sent to Yugoslav Presidency President Stipe Mesic a reply to his letter in which, among other things, President Mesic stressed that the cease- fire agreement also sets obligations for the Army and that the withdrawal of the Army into barracks cannot be conditioned by anything.

The units of the Federal Army strictly abide by the endorsed decisions of the Yugoslav Presidency. If the Presidency deems that the sequence and pace of measures being implemented to achieve a cease-fire should be regulated in a way that is at odds with provisions of the agreement and the Presidency's decisions, we plead that this be done in an appropriate manner, through the adoption of a new decision, the Federal Secretariat for National Defense says in its reply to Yugoslav Presidency President Stipe Mesic.

BORBA Views Economic, Inflation Problems

LD0509191191 Belgrade TANJUG in English 1747 GMT 5 Sep 91

[Text] Belgrade September 5 (TANJUG)—The economic commentator of the Belgrade daily BORBA asks today if inflation will soon get out of control.

Only a small number of economic experts are moderately optimistic, while the majority forecast an inevitable catastrophe. There is no new money and interest rates are over 100 percent.

In contrast to the proverbially optimistic Federal Prime Minister Ante Markovic, Deputy Prime Minster Alexandar Mitrovic was less optimistic two weeks ago when he announced that the economy was on the verge of collapse and that industrial production in the last few months of the year would drop to half the current production, which is only enough for a trivial postponement of the final disaster.

"Golden October", the month of final grape-gathering and the first racking off of new wine is also known among experts as the "test month" of the year.

There is practically no chance of curbing inflation. It was a difficult task in peace-time and is well nigh impossible in war.

Those who claim that they know a way out, are either good experts or liars. However, everything is better than lamenting over the present situation, concludes BORBA's commentator.

Federal Defense Secretariat Issues Proposal to EC

LD0509164191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1532 GMT 5 Sep 91

[Text] Belgrade, 5 September (TANJUG)—The Federal Secretariat for National Defense has proposed to the special envoy of the EC Council of Ministers, Ambassador Henry Wijnaendts, that members of the EC observer mission who are stationed in Slovenia immediately extend their activity to the Republic of Croatia, the Information Service of the Federal Secretariat for National Defense says in a statement issued today.

A proposal has been put forward, the statement says, that observers visit any garrison and any unit of the Yugoslav People's Army [YPA] in crisis areas and escort YPA trains and transport columns from Slovenia over the territory of Croatia.

The Federal Secretariat for National Defense believes that it is the only way to establish the truth and also to show to domestic and international public that the YPA is consistently implementing provisions of the cease-fire agreement, i.e. that members of the Croatian National Guard Corps and the Croatian Ministry of Internal Affairs, contrary to allegations of the Croatian leadership and its political propaganda, are continuously initiating armed conflicts and are flagrantly violating assumed obligations stemming from documents signed with the EC.

Bearing in mind the seriousness of the situation and the importance of the implementation of the cease-fire agreement, the Federal Secretariat for National Defense is ready to enable the observer mission to establish the truth in any other way and contribute to the implementation of signed documents, the statement says in conclusion.

Soviet Plan for Economic Community Viewed

LD0509181191 Belgrade TANJUG in English 1015 GMT 5 Sep 91

[Text] Moscow, Sept 5 (TANJUG)—The Soviet Fund for Social and Economic Reforms has completed the draft of a convention on the transformation of the Soviet Union into an economic community which could encompass all the federal republics—including those who intend to secede.

Particularly interesting is the provision that it would be a community of sovereign states.

The reform fund is headed by Academician Stanislav Shatalin, creator of the famous '500-day Programme,' a proposed deadline for a recovery of the ailing economy.

No accord on this programme could be reached among the republics and political hierarchy.

The new draft convention, however, gives the republics a choice of three forms of activity in the economic community: full membership, associate membership or an observer status.

A great deal of emphasis has been placed on the private sector, and the relations among the members would be based on full market economics.

Krajina Demands 'Equal' Part in Peace Conference

LD0509194891 Belgrade TANJUG Domestic Service in Serbo-Croatian 1811 GMT 5 Sep 91

[Text] Knin, 5 September (TANJUG)—The government of the Serbian Autonomous Region of Krajina [SAO Krajina] stated today that it supports the cease-fire agreement signed on 2 September, but it demands to participate as an equal partner in the peace conference to be held in The Hague under the auspices of the European Community. At a session today, as Milan Babic, SAO Krajina prime minister, said, the government endorsed a document in which it presented its positions prior to the peace conference.

The document stresses that the SAO Krajina Government demands that the arbitration commission, which will be composed of five eminent EC lawyers, should exclude representatives of those countries that were aggressors against Yugoslavia during the Second World War.

The EC has already appointed three representatives—representatives of the constitutional courts of Germany, Italy, and France—while the other two should be chosen by Yugoslavia from the remaining EC members.

The document insists that the Soviet Union and the United States should be involved in the peace process.

The document was sent to the United Nations [words indistinct]. It proceeds from the already-known option for "the final separation from the Republic of Croatia by "Krajina", as "an independent political actor" that was created by "the will of the Serbian people expressed in a referendum."

The document stresses that "using its right to self-determination, which was not denied to other nations at any time, the Serbian people opted not to live in any kind of Croatian state," adds that "the Croatian Government, by arguments of force and weapons, denies the existence of the Serbian people's will thus expressed."

The document also says that "the Krajina Government" has reminded all the addressees that "internal borders in Yugoslavia are not state borders, because they do not have the necessary attributes for that—the international recognition of all sides involved."

The document concludes that "no decision of a peace conference on Yugoslavia will be binding on SAO Krajina unless it participates as an equal side in the conference."

Danish Minister Says Peace Conference Will Proceed

AU0609095491 Paris AFP in English 0933 GMT 6 Sep 91

[Text] Brussels, Sept 6 (AFP)—A European Community-sponsored peace conference on Yugoslavia will almost certainly go ahead on Saturday in some form despite the continuing fighting in Croatia, Danish Foreign Minister Uffe Ellemann-Jensen said here Friday.

But Dutch Foreign Minister Hans van den Broek, speaking on behalf of the Dutch presidency of the EC, said a ceasefire in Croatia was a precondition for the opening of a peace conference.

Diplomats said this position was supported by Germany, which has threatened to grant official recognition to Croatia if the violence continued.

Mr. Ellemann-Jensen said just before the start of a meeting of EC foreign ministers that the conference would "take stock, decide who is responsible" for breaking the ceasefire in Croatia, then take action.

Diplomats from several EC countries said escalating breaches of the EC-sponsored ceasefire signed on Monday would probably not prevent EC ministers meeting in The Hague with the various parties to the Yugoslavia conference.

But they suggested that the meeting could take one of two turns

—a peace conference as originally arranged which would put intense pressure on Serbia to stop fighting, or a forum to condemn and isolate it through international sanctions.

A final decision on Saturday's conference was expected to be taken by the ministers later Friday. One diplomat said the atmosphere among the ministers was "tense".

EC Envoy Cited on Preconditions for Cease-Fire

LD0509161191 Belgrade TANJUG in English 1442 GMT 5 Sep 91

[Text] Zagreb, September 5 (TANJUG)—Dutch Ambassador in Paris Henry Wijnaendts, the special envoy of E.C. Ministerial Council President Dutch Foreign Minister Hans van den Broek, today said that complete ceasefire and an end to further bloodshed in Croatia were preconditions for the forthcoming peace conference in Yugoslavia.

Wijnaendts told a special news conference in Zagreb that he had long talks with Croatian President Franjo Tudjman today. He said that Tudjman told him that the Croatian authorities have ordered all units to cease fire.

Wijnaendts today said they were going to Petrinja, Okucani and Osijek, the crisis spots in central and eastern Croatia, to see for themselves what is going on there.

He said he would tomorrow go to Knin and Borovo Selo, towns in southern and eastern Croatia mainly populated by Serbs, and recalled the signed documents under which the Yugoslav People's Army (JNA), the Croatian authorities and represntatives of the Serbian people in Croatia are included in monitoring the ceasefire.

Wijnaendts said that he meet with Yugoslav Defence Minister Veljko Kadijevic who "ordered that the JNA should not be the one to open fire first".

On the meeting with Serbian President Slobodan Milosevic, Wijnaendts said that "Milosevic told us he would facilitate as much as he can the work of our mission, although, as you know, he does not consider himself responsible for what the Serbian units are doing".

Asked what would happen if peace is not restored in two days, Wijnaendts said he could not precisely answer the question. "I am here to try to determine whether all sides agree with what they have signed. If we establish that some sides are not abiding by what has been signed, we will report it", Wijnaendts said.

In the mean time AFP has reported from The Hague that the European Community foreign ministers will meet in Brussels tomorrow to definitely decide on the holding of an international peace conference on Yugoslavia in the Dutch capital on Saturday.

Croatian Guards Mistreat Cease-Fire Group

LD0509165191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1422 GMT 5 Sep 91

[Text] Belgrade, 5 September (TANJUG)—Members of the SFRY Presidency's joint cease-fire group were arrested and maltreated in the Republic of Croatia, the Federal Secretariat for Internal Affairs stated today.

The statement says: "At 0330 on 4 September members of the Croatian National Guard Corps [ZNG] raided the Hotel Zagreb in Karlobag, where some of the joint group for the monitoring of cease-fire for the area of Lika and northern Dalmatia were lodged. The ZNG members, threatening to use automatic rifles and pistols, arrested them, although they knew that those were members of the cease-fire group.

Five members of the joint cease-fire group, including the head of the group Srsen Kreso, were physically mistreated and humiliated [words indistinct]. A ZNG member held his unloaded pistol against an observer's temple and started pulling the trigger.

Federal Secretary for Internal Affairs Petar Gracanin sent a letter of protest to the Croatian minister of internal affairs and expressed his astonishment of such behavior of the ZNG members toward the members of the SFRY Presidency's joint cease-fire group. He called on the appropriate bodies of the Republic of Croatia to take necessary measures against the perpetrators, the statement says in conclusion.

Government Demands Immediate Cease-Fire

LD0509172191 Belgrade TANJUG in English 1648 GMT 5 Sep 91

[Text] Belgrade, September 5 (TANJUG)—The Yugoslav government today urged the sides in the conflict in the Republic of Croatia to "immediately stop fighting and cease war operations."

The cabinet of Yugoslav Prime Minister Ante Markovic proposed that a neutral commission be formed to determine who are the "real culprits of the continued clashes, despite the international obligations resulting from the ceasefire agreement" signed through the medition of the European Community (E.C.) on September 1, it was announced today.

Serbian armed formations and the Yugoslav People's Army (YPA) on one side and the Croatian armed formations, that is, forces of the Croatian Interior Ministry and National Guard on the other, are accusing each other of violating the ceasefire agreement.

YPA units have been deployed as a buffer in the crisis regions in Croatia where clashes took place between the Croatian armed formations and armed Serb civilians.

The Yugoslav government again called for a meeting of all sides which signed the ceasefire agreement as well as a joint session of the Yugoslav State Presidency and the federal government.

The federal government has "ordered the competent federal ministry to take adequate measures, in cooperation with corresponding republican departments, so that conditions could be created for normal functioning of air, road and railroad traffic in the country."

The federal government has decided to initiate a meeting of representatives of the federal government with republican and provincial officials to discuss the problems of refugees.

Bosnia, Macedonia Out of Monitoring Cease-Fire

LD0509145991 Belgrade TANJUG Domestic Service in Serbo-Croatian 1412 GMT 5 Sep 91

[Text] Belgrade, 5 Sep (TANJUG)—The Federal Secretariat for Internal Affairs today revealed that as of 4 September representatives of the Macedonian and Bosnia-Hercegovina ministries for internal affairs have been withdrawn from groups for monitoring the ceasefire in Croatia, by decision of the governments of Macedonia and Bosnia-Hercegovina, adopted on 30 August. So, only representatives of the Federal Secretariat for Internal Affairs are monitoring the cease-fire on the territory of the Republic of Croatia.

The statement recalls that, in line with the SFRY Presidency's decision, joint groups, consisting of representatives of the Federal Secretariat for Internal Affairs and the Macedonian and Bosnia-Hercegovina ministries for internal affairs, were to be sent to the Republic of

Croatia to monitor the cease-fire. The Federal Secretariat for Internal Affairs sent a message to the Macedonian and Bosnia-Hercegovina ministries for internal affairs stressing its surprise at the decision and the withdrawal of their representatives from peace missions. The SFRY Presidency's cease-fire commission was also informed about their decision.

Slovenia

Army Hands Over Maribor Barracks

LD0509174191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1613 GMT 5 Sep 91

[Text] Maribor, 5 August (TANJUG)—Representatives of the Yugoslav Peoples' Army [YPA] today abandoned and handed over the barracks of Tone Tomsic in the industrial zone of Melje, in the very center of the town, to representatives of the Maribor authorities.

The YPA has another three barracks in the center of Maribor, where preparations are also under way for withdrawal and their takeover.

Members of the YPA today also abandoned their barracks and storage facilities in Murska Sobota and Pomurje following their withdrawal from the last barracks in Koroska early last week.

Government Discusses Missions Abroad, New Laws

AU0509180191 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 5 Sep 91

[Matija Hudovernik report]

[Excerpts] The Republican Executive Council today discussed problems related to social activities. Doubtless the most important news is that at the session the government adopted a conclusion by which it will sign a general collective agreement [splosna kolektivna pogodba] for non-production activities.

It will be possible to resolve the problems arising in the social sphere by rebalancing the budget, while the problems in health care could, according to Matija Malesic [vice-president of the Slovene Government], be resolved with the finances that are currently being gathered.

The Republican Executive Council today adopted a draft law on forests. Three principles are predominant in this bill. The forests are of fundamental importance, the proprietor of a forest will became its proprietor in the literal sense of the word, possessing all rights and full responsibility over it, and the supervisory and expert functions in forest management will be separated. [passage omitted]

At today's session of the Slovene Government the opening of bureaus of the Republic of Slovenia abroad was also discussed. Slovenia is expected to open 12 missions. We already have three bureaus abroad—in Vienna, Luxembourg, and London. Other Slovene missions are to be opened in all the capital towns of the Yugoslav republics, in the neighboring countries, in the United States, in Paris, Bonn, and Strasbourg. For the time being, these missions will not have diplomatic status but will form a basis for the proper diplomatic missions.

It seems that the Slovene Parliament will adopt the Law on Protection of Environment in the shortened procedure. Namely, the Executive Council adopted the proposal on issuing a law together with the bill. The main principle of the Law on Environment is that the polluter will be obliged to compensate for his pollution of the environment. [passage omitted]

Because Slovenia might face cash problems due to the blockade imposed by the National Bank of Yugoslavia, the Slovene Government today adopted a decree that checks must be accepted as means of payment. This non-cash means of payment would reduce the amount of cash in circulation.

DELO: Army Printing Dinar Notes

LD0509230991 Belgrade TANJUG Domestic Service in Serbo-Croatian 0857 GMT 5 Sep 91

[Text] Ljubljana, 5 Sep (TANJUG)—DELO claims on its front page "that the Army is now transporting from Belgrade to Slovenia by helicopter—where they are obviously printing considerable quantities of 1,000 dinar notes—money especially for the needs of the Army." The author of the article, signed with initials, cites the almost completely interrupted financial movements, the exclusion of Slovenia and Croatia from the country's monetary system, and the spiralling growth of inflation as the main reason for the "Army's incursion into the monetary system."

"(?Officials) in Slovenia," the report goes on, have already collected "evidence of such action on the part of the Army in various areas where there have been overflights by Army helicopters in recent days". The claim is also made that Army personnel in Slovenia receive necessary quantities of new money on the basis of special lists, with which officers and their families meet their needs.

No official statement has so far been made by the relevant services in the Republic of Slovenia on this "case".

Croatia

Rail Traffic on Line to Knin Resumes

LD0509174491 Belgrade TANJUG Domestic Service in Serbo-Croatian 0834 GMT 5 Sep 91

[Summary] Knin, 5 Sep (TANJUG)—After a month's interruption, rail traffic was resumed this morning on the Una line between Bosanski Novi and Knin. The first

passenger train arrived at Knin this morning and set down some 12 passengers. Freight traffic will run on demand, according to quantities of freight, and so far two freight trains have been scheduled. The normalization of local passenger traffic from Knin to Devrske and Gracac to serve schoolchildren and workers has also been announced. Local trains on these routes will begin running on Monday.

Decision on Recalling Federal Officials Frozen

LD0509170491 Belgrade TANJUG in English 1617 GMT 5 Sep 91

[Text] Belgrade, September 5 (TANJUG)—The Belgrade daily BORBA today writes, citing sources close to the federal government, that the leadership of the Yugoslav Republic of Croatia has agreed to, at the initiative of Federal Prime Minister Ante Markovic, freeze its decision to recall Croatian officials from federal organs.

Croatia agreed to freeze its decision until the expiry of the three-month moratorium on the implementation of Croatia's and Slovenia's unilateral acts on secession, BORBA writes.

Markovic told the Croatian leadership that "there was no sense in, on the one hand, proclaiming readiness for talks on the future of Yugoslavia, and on the other hand, undermining the federal organs and federal government as well as the agreement on the country's future," BORBA writes.

The Croatian news agency HINA had earlier reported that Markovic agreed with Croatian President Franjo Tudjman that he and other members of the federal government from Croatia withdraw from their posts in mid-October. The date mentioned was October 13, when the moratorium expires.

BORBA today writes that October 13 as the day when the moratorium expires as "completely false." The federal government's stand is clear—the moratorium has not yet begun to be implemented, under none of the elements of the Brioni declaration, so that October 13 cannot be taken as D-day. [sentence as received]

HDZ Leader Denies Arms Smuggling Involvement

LD0509230391 Belgrade TANJUG in English 1346 GMT 5 Sep 91

[Text] Zagreb, September 5 (TANJUG)—President of the Executive Council of the ruling Croatian Democratic Union (HDZ) Slavko Degoricija today denied that his party was involved in the affair of the plane smuggling arms to the Yugoslav Republic of Croatia.

At a press coference, Degoricija denied a statement made by Anton Kikas a Croat with Canadian citizenship who was arrested last Saturday along with the crew when their Ugandan plane carrying 19 tonnes of arms was forced to land.

During the investigation Kikas told Army organs that the entire arms smuggling operation was backed by the HDZ and that he had talked to Degoricija personally on the delivery of the arms. Degoricija denied that he had been in contact with Kikas and added that 'Kikas was not a HDZ party member,' and that the 'HDZ did not have any commitments' towards him.

A Boeing 707 belonging to Uganda Airlines was forced to land at Zagreb's Pleso Airport on Saturday, and was discovered to be carrying arms and military equipment worth 1.36 million dollars.

The Federal Customs Administration have confiscated the plane and Kikas has been fined one million dollars.

Degoricija said today that the plane's forced landing and Kikas' arrest 'were illegal' and called the whole operation which had been carried out by military organs 'a provocation' aimed at 'discrediting' Croatia and the party in power.

Osijek Cease-Fire Accord Reached

LD0509212191 Belgrade TANJUG in English 2035 GMT 5 Sep 91

[Text] Osijek, Sept 5 (TANJUG)—Accord was reached in Osijek tonight on a ceasefire in Slavonija and Baranja regions in eastern parts of the Yugoslav Republic of Croatia.

The negotiations were also attended by Dutch Foreign Minister Hans van den Broek's special envoy, Ambassador Henri Wijnaendts.

It was agreed that as of today, no-one should open fire first. If armed conflicts should break out after all, both sides agreed that disputed issues be resolved in the presence of European Community observers.

The accord on a ceasefire in Slavonija and Baranja is a concretization of the agreement on a ceasefire in Croatia signed by the Yugoslav Presidency, the federal government and the presidents of all six Yugoslav republics on September 2 in Belgrade.

"Conditions have been created for a ceasefire, and I hope for peace too," president of the crisis staff for Slavonija and Baranja Vladimir Seks said.

Wijnaendts expressed the hope that a new period would begin in the region following the accord.

'Fierce' Attack on Osijek Following Cease-Fire

LD0509214591 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 5 Sep 91

[Excerpt] News just in: Fierce fire on the very center of Osijek was began an hour ago. It came from heavy weapons and from all directions. Vladimir Seks, the president of the crisis headquarters for Slavonija and Baranja, gave the following statement about this treacherous attack:

[Begin Seks recording] At 1845 [1645 GMT] talks with representatives of the occupying army ended and an agreement on cease-fire, drawn up by the EC representatives, that is, their peace mission, was reached. Only 15 minutes after the representatives had left, a terrorist criminal attack on the very heart of the town of Osijek started again. Material damage is great, and a series of tank and mortar attacks both from army training ground C and from Bilje is under way.

This is all happening despite the fact that it was precisely and clearly agreed that fire must not be answered, and that a commission should establish the cause of fire and responsibility for it. However, our liaison officer contacted the Army's liaison officer and established that fire was not opened from Osijek, from training ground C, but from Balje, from Baranja. [passage omitted] [end recording]

Mortars Cause Material Damage to Osijek; One Dead

LD0509212191 Belgrade TANJUG in English 2020 GMT 5 Sep 91

[Text] Zagreb/Osijek, September 5 (TANJUG)—Several mortar shells fell on downtown Osijek, a city in the eastern part the Yugoslav Republic of Croatia, causing material damage.

The shells came, according to military sources, from the area of village in Baranja. The villages were controlled by Serbs who make up the territorial defense.

Croatian radio, however, reported that Osijek was shelled 'from the barracks premises'. The radio also reported that one person was killed in the attack.

There was a calm in Osijek on Thursday evening.

Following fierce clashes between the Croatian guard and police and the Yugoslav Army (JNA) units in the area of Vukovar, there was also a calm on Thursday evening.

The fighting erupted in the Vukovar area, according to military sources, when a column of military vehicles came under attack.

According to the Croatian radio, 'in the attack on Vukovar all available arms were used.' The radio report said three people were killed and 17 wounded in the city.

The Belgrade radio mentioned the same figures. It also reported considerable material damage in the fighting on Thursday in the area around Vukovar and in the city itself. The radio said a mortar duel was fought on Thursday between Bokovo Selo and Borovo Naselje, in which strong forces of Croatia guard and police were stationed.

Zagreb Radio on Heavy Fighting at Vukovar

LD0509210691 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 5 Sep 91

[Excerpt] Despite a great deal of misinformation by the Belgrade and Novi Sad manufacturers of lies, we can have a view of the battlefield.

For the first time in a long while, Croatia's defenses have clashed with a force comprising 150 tanks, three batteries of multiple-rocket launchers, eight to 10 batteries of mixed artillery supported by mortars, and one infantry battalion. What is indicative, though, is the fact that the popular "haubica", that is, a 155-mm cannon, of which there are two battalions, has joined the artillery units for the first time. One is in Negoslavci and another in Backa. All this has encircled the municipality of Vukovar, intent on destroying and flattening Vukovar. However, the enemy was obviously taken by surprise in the face of its strong and organized defense, something that is borne out by a high casualty toll.

We have officially learned that four tanks have been destroyed. They were positioned on the Petrovac and Negoslavac road. In Lipovaca alone 30 to 50 terrorists, who are said here to be Chetniks after all, died today, while the fate of 10 to 15 military reservists was sealed by sniper shots fired by Croatian defense forces.

Given a great deal of uncertainty among the numerous population of this municipality and the Croatian public in general about the identity of these notorious military formations, there may be some comfort in saying that these are armored brigades from Subotica, the Guard Brigade of Belgrade, and portions of the already famous Tuzla Corps. There was a great deal of fear caused by aircraft but now this fear is needless. Aircraft did take off from Batajnica but they are no longer allowed to fly beyond Sotin, so they are turning toward the east, since even those gentlemen are fully aware that hot surprises are awaiting them somewhere down below. [passage omitted]

Croatian, Serbian Forces Fighting Near Nova Gradiska

LD0509235991 Zagreb Radio Croatia Network in Serbo-Croatian 2300 GMT 5 Sep 91

[Report by Vladimir Fajgl]

[Text] Judging by the explosions echoing from the western Posavina part of the Nova Gradiska municipality theater of war, battles are being waged between Croatia's defense forces and the Serbian occupation army. Fire is coming from all kinds of light and heavy weapons. Several tank shells have landed on the suburbs of this town near a silo of the Nova Gradiska agricultural and industrial combine. The local radio station, which is broadcasting tonight's program along its wartime guidelines, repeats an announcement from the crisis headquarters which calls on citizens to move in an orderly fashion and without panicking to the prepared shelters. The town has been in the dark since last night.

According to reports from the battlefield, battles between terrorists and the occupation army are also being waged in the area of Okucani. As I report this, Nova Gradiska's hospital has received six wounded from the western frontline, one of whom sustained serious injuries but is not in critical condition.

In Kostolac, terrorists opened fire on an ambulance carrying wounded to the hospital. In Gornji Bogicevici, a vehicle was damaged by grenade shrapnel. Fortunately, no one was injured.

Serbia

2,600 More Serb Refugees Flee Croatia

LD0509162491 Belgrade TANJUG in English 1535 GMT 5 Sep 91

[Text] Belgrade, September 5 (TANJUG)—The number of refugees from the Yugoslav Republic of Croatia stands at 88,479, since 2,600 refugees, mostly Serbs, fled Croatia to Serbia today.

According to the Red Cross of the Republic of Montenegro, 1,550 refugees from Croatia, mostly Serbs, have been registered in the republic so far, or 500 more than earlier this week.

The Montenegrin Red Cross said there were in fact more refugees in the republic, but many of them, staying at their relatives' and friends', have not been registered.

Seselj Says No Border Deals With Croatia

PM0609055691 Rome LA REPUBBLICA in Italian 4 Sep 91 pp 2-3

[Unattributed interview with Serbian Radical Party leader Vojslav Seselj; date, place not given]

[Excerpt] Belgrade—[passage omitted] "The old borders between Serbia and Croatia were only administrative ones," Seselj argued, "and we no longer recognize them, and will never do so under any circumstance. We are both for Slovenian independence and for Croatian independence. But Croatia must then leave Serbian territories."

[LA REPUBBLICA] But you have already conquered them...

[Seselj] Not yet: A large part of Dalmatia is also Serbian, as are Lika, Banja, and other places. Which is the Croatian part? The area of Zagreb, Fiume [Rijeka], and Istria. We have now already conquered Serbian lands that constitute one-third of Croatian territory. And there is no turning back.'

[LA REPUBBLICA] So is no negotiation possible on these territories?

[Seselj] Under no circumstances—not even if, hypothetically, there were to be a turning back, a recreation of Yugoslavia's old federal structure.

[LA REPUBBLICA] So what solution do you see?

[Seselj] I see a somewhat scaled-down Yugoslavia, with an independent Slovenia, an amputated independent Croatia and a Yugoslavia with five federal units—Serbia with Slovenia, Bosnia-Herzegovina, Montenegro, Macedonia, and Serbia-Krajna. What about Vojvodina and Kosovo? That is Serbia. How will we achieve all this? The Croats want to violate the cease-fire, and will do so as soon as they have received weapons from Germany. Then we will take that opportunity and attack in depth.

[LA REPUBBLICA] But Macedonia is about to proclaim its independence on Sunday...

[Seselj] Macedonia is Serbia, and we will not accept its independence. We are already preparing our men down there to organize the struggle.

[LA REPUBBLICA] But do you really not fear international isolation?

[Seselj] We have always been alone: We were so during the Balkan wars, in the first and second world wars, and in 1948 we were alone under Tito's dictatorship. Alone, we are dangerous and we always win.

[LA REPUBBLICA] So will you fire on the European observers?

[Seselj] No, definitely not, if they are civilian observers. We will only fire on foreign military forces. Observers are not in danger, if they are civilians.

Serbian Leader Wants New Borders for Croatia

AU0609115091 Vienna KURIER in German 6 Sep 91 p 2

[Interview with Vuk Draskovic, head of the Serbian Renewal Movement, by Ingrid Steiner in Belgrade; date not given: "Croatia's Border Must Be Newly Drawn"]

[Text] [Steiner] Does the latest EC peace plan offer real prospects for an end to the civil war?

[Draskovic] It is already a big step forward that all parties to the conflict signed the memorandum. In the faces of some, one could clearly read their repugnance—as if they had signed their death sentences.

[Steiner] Who violated the cease-fire?

[Draskovic] All three sides—above all, however, the Croats because it is in their interest and because they are looking for an excuse to have Croatia recognized. Then the Army: It dreams of a military victory to eliminate the shame of defeat in the fight against Slovenia. And the

Serbian rebels, too, do not adhere to the cease-fire—though for honorable reasons; they wanted to drive the Ustashas as far away as possible from the threatened Serbian villages.

[Steiner] How can peace return to Yugoslavia?

[Draskovic] There will be no peace as long as the Croatian borders with Serbia and Bosnia-Hercegovina are not newly drawn. The Krajina, the Banja, and a belt from western Srem to Vukovar must belong to Serbia.

[Steiner] That is half of Croatia.

[Draskovic] It is a small area. What is its significance compared with the big question of peace? So as not to humiliate the Croats, I would give parts of Bosnia-Hercegovina where mostly Croats live to Croatia.

[Steiner] Would the division of Hercegovina not necessarily entail forced resettlement inasmuch as Serbs and Muslims also live in that area?

[Draskovic] Resettlement would be a solution, but it would be the worst one. It would be better to grant all ethnic groups the same rights.

[Steiner] Also to the Albanians in Kosovo?

[Draskovic] In my government, negotiations between Serbia and Kosovo would start immediately. One can negotiate about everything, except for one thing: to whom Kosovo belongs. It is and remains the cradle of the Serbian people. But the Albanians should enjoy all democratic rights, such as the South Tiroleans in Italy, for instance, as soon as my party assumes power. And that day is very near.

[Steiner] The big demonstration of the opposition parties on 9 October will be the first step toward the overthrow of the Communist Party. I have already dreamed of the collapse of the Serbian and Croatian regimes: The majority of the people do not want this war. Only a small minority is promoting it. Now the bloodshed serves both governments because they cannot offer their people anything in peace. They have only one eye. They see only with the eye of the past. They lack the eye of the future.

[Steiner] What do you expect from the conference on Yugoslavia on Saturday [7 September]?

[Draskovic] There will be no sensations in The Hague.

Croatia Said Preparing 'Mock Provocative Action'

LD0509195591 Belgrade TANJUG Domestic Service in Serbo-Croatian 1838 GMT 5 Sep 91

[Text] Belgrade, 5 Sep (TANJUG)—The information service of the Federal Secretariat for National Defense has issued the following statement:

"According to some reports from appropriate Yugoslav People's Army [YPA] bodies, members of the Croatian Ministry of Internal Affairs and the Croatian National Guard Corps are preparing a mock provocative action on the police station in Slavonska Pozega in order to announce later that the Army units carried out the attack. Afterwards, in response to that alleged attack, Croatian armed formations would attack the YPA barracks and the YPA club in Slavonska Pozega."

Plans of 'Ethnic Albanian Separatists' Reported

AU0509201791 Belgrade Radio Belgrade Network in Serbo-Croatian 1300 GMT 5 Sep 91

[Milivoje Mihajlovic report]

[Text] Although Serbia has long ensured the functioning of laws and the Constitution in the province, some ethnic Albanian separatists are not giving up the buildup of the republic of Kosovo. Here is a report from Pristina by Milivoje Mihajlovic:

[Mihajlovic] Ethnic Albanian separatists in Kosovo and Metohija have not stopped building their imaginary state. The Albanian press today carries an announcement by the information bureau of the assembly of the Republic of Kosovo that says that the president and vice presidents of the Assembly of, as they put it, the republic of Kosovo, as well as the president of the chamber of communes. The commission for elections and appointments will hold its session and, as is said, will discuss the proposal for a transitional multi-party government of the republic of Kosovo. The ethnic Albanians' political parties are obliged to send their proposals tomorrow at the latest. After this is done, the assembly is going to meet within 48 hours, it is said in the announcement. These so-called assembly activities are carried out under the supervision of former Kosovo politicians and the delegates of the dissolved provincial assembly who have fled to northwestern Yugoslav republics.

This news is interpreted in Pristina as one more attempt by ethnic Albanian separatists to make up for unfulfilled promises to their fellow nationals by offering political illusions about the nonexistent republic of Kosovo and its equally nonexistent assembly.

Army Weekly Says EC Documents 'Vague'

LD0509140791 Belgrade TANJUG in English 1240 GMT 5 Sep 91

[Text] Belgrade, Sept 5 (TANJUG)—The Yugoslav Army weekly NARODNA ARMIJA writes in its latest issue that the European Community documents signed in Belgrade on September 1 offer solutions to the Yugoslav crisis which are 'vague, unclear and even controversial'.

In a commentary entitled 'Goodwill With a Bit of One-Sidedness, Vagueness and Uncertainty', the magazine says 'the signing of the documents took place in a very delicate situation in which it was becoming growingly difficult to come out with a better solution'. It should also be taken into

account that the documents were signed under strong pressure from the European Community which was tantamount to an ultimatum, it adds.

Describing the ceasefire agreement and the memorandum on understanding as 'unexpected and unusual' documents, NARODNA ARMIJA says that 'it is now uncertain whether the E.C. engagement is more conducive to the deepening or to the settlement of the Yugoslav crisis'.

'If the so-called German line prevails in the E.C. policy towards Yugoslavia, which should not be ruled out, then prospects will be diminished both for Yugoslavia to survive the E.C. therapy as a single state and for finding a solution, in case of disassociation, which would be acceptable to all', the magazine says.

Noting that the E.C. adopted the documents on the basis of criteria 'which cannot be described as fully objective and realistic', NARODNA ARMIJA writes that 'the controversial documents put the blame for conflicts on Serbs in Croatia and on Serbians which are allegedly helped by the Yugoslav People's Army'.

'A serious failure is that the representatives of the Serbian people did not sign the documents in whose realization they should take part', the magazine says.

It concludes that 'the bulk of the work has yet to be done' and that 'much effort, political will and persistence will be needed to implement what has been agreed upon'.

Army: Croatia 'Grossly' Violating Cease-Fire

LD0509161791 Belgrade TANJUG in English 1454 GMT 5 Sep 91

[Text] Belgrade, September 5 (TANJUG)—The Yugoslav People's Army (JNA) announced that armed formations of the Yugoslav Republic of Croatia today carried out three attacks on its units and facilities in Slavonija, eastern Croatia.

A statement issued by the Yugoslav Defence Ministry information office said that the Croatian armed formations—police and national guard—once again "grossly violated the agreement on ceasefire" signed on September 1.

The statement said that the Croatian armed formations on two occasions "fired shots and opened mortar fire on the Army barracks in Vukovar and the JNA unit near the village of Bogdanovci from three directions", and that "Croatian sharp-shooters" fired shots at the Army barracks in Osijek.

The statement said that JNA "returned fire" to the second attack in Vukovar and Bogdanovci, but does not say if it did the same in Osijek. There are no reports about possible casualties.

A second statement issued by the same office today said that Croatian armed formations yesterday carried out several unprovoked attacks on "JNA units in barracks, supply vehicles and their guards and isolated Army facilities", flagrantly violating the agreement on ceasefire.

JNA replied to most of these attacks in which two armoured transporters were slightly damaged, the statement said.

The statement points out that the Croatian armed formations also "opened fire on the JNA club in Osijek, and this attack registered by the members of the operative group of the federal interior ministry for the control of the ceasefire in Slavonija, who were in the building at the time".

Serbs, Croats in Skadrin Region Agree on Truce

LD0509164691 Belgrade TANJUG Domestic Service in Serbo-Croatian 1530 GMT 5 Sep 91

[Excerpts] Knin, 5 Sep (TANJUG)—In the course of today's lengthy talk in the village of Bribirske Mostine, representatives of the Serbian and Croatian people from 14 local municipalities from the Skadrin region agreed that all provocations and cease-fire breaches will cease as of 2000.

Representatives of both sides agreed to establish a demarcation line between the [Croatian] Ministry for Internal Affair and the National Guard Corps, on the one side, and the Krajina formations, on the other. They agreed that the Skadrin police station will continue to carry out tasks within its authority on the entire Skadrin region, but to restore the national balance from a year ago. [passage indistinct]

A five-member mixed commission, including a representative of the Knin Corps, will monitor the implementation of this agreement. Both sides have trust in the agreement, but they fear extremists on both sides. [passage omitted]

All participants in today's talks came without armed bodyguards. Representatives of the federal cease-fire commission and the army's Knin Corps were at the talks as observers and mediators.

Army on Croatian Forces' Cease-fire Violations

LD0609083991 Belgrade TANJUG Domestic Service in Serbo-Croatian 0740 GMT 6 Sep 91

[Text] Belgrade, 6 Sep (TANJUG)—Despite yesterday's agreement forged in Osijek and efforts to establish a cease-fire, attacks on Yugoslav People's Army [YPA] facilities and units are continuing, the Information Service of the First Military District says. During the night, members of the National Guard Corps and the Ministry for Internal Affairs of the Republic of Croatia launched several unprovoked attacks on units of the Banja Luka and Tuzla Corps, which were engaged in preventing clashes between warring parties in the Okucani region and in eastern Slavonia.

Strong mortar and sniper fire was directed against units of the Banja Luka Corps last night around 2100 [1900

GMT]. The Osijek barracks, exercise ground 'C,' the Vinkovci barracks and some other facilities were attacked by the same type of weapons.

Having made several unheeded appeals to members of the National Guard Corps and the Ministry for Internal Affairs to halt firing, YPA units returned fire.

Attacks lasted throughout the night. There are no casualties among YPA members, the statement concludes.

Croat Forces Attack Okucani, Stara Gradiska

AU0609110891 Belgrade Radio Belgrade Network in Serbo-Croatian 2000 GMT 5 Sep 91

[Gojko Serbula report]

[Text] This evening at approximately 2100 [1900 GMT] hours the Croatian policemen and guardsmen have again [word indistinct] attacked the positions of the Yugoslav Peoples' Army [YPA] in the vicinity of Stara Gradiska and Okucani from the direction of the villages of Pivare, Slavonski Mackovac and Donji Varos. Simultaneously, some units of the Okucani territorial defense were attacked from Donji Bogicevci and (?Kostolac). At the time of reporting the fighting is still going on. Right now, at 2130 [1930 GMT], the Croatian guardsmen are shooting with heavy machine guns and mortars in the vicinity of Mackovac toward the Bosnian side at the YPA positions on Mali Strug. The citizens of Bosanska Gradiska are upset and they do not know what it awaiting them during the night.

Bosnia-Hercegovina

Stance on Peace Conference Agreed

AU0609093391 Belgrade Radio Belgrade Network in Serbo-Croatian 0800 GMT 6 Sep 91

[Text) A consultative meeting of the republican leaders was held in the Bosnia-Hercegovina Presidency last night in view of the forthcoming peace conference in the Hague. The members of the Bosnia-Hercegovina Presidency, assembly (?deputies), president of the government, presidents of (?the clubs of deputies), and presidents of all parliamentary parties, took part in the session.

They took the stand that a forced change of external and internal borders is unacceptable, and that it is necessary to guarantee human and national rights for all nations and nationalities in Yugoslavia. It was emphasized that it is inevitable that a nations right to self-determination and secession must be respected in the process of forming a new Yugoslav community. They agreed that at the conference in The Hague they will advocate the observation of principles of a peaceful and consentaneous resolving of the democratic (?procedure) of forming the future Yugoslav community.

Cengic on Overseeing Army Conscription

LD0609134391 Belgrade TANJUG in English 1152 GMT 6 Sep 91

[Text] Zagreb, Sept 6 (TANJUG)—Vice-premier of Bosnia- Hercegovina Muhamed Cengic has stated that the Presidency of this central Yugoslav republic 'Will first decide whether Bosnia- Hercegovina will send conscripts to the (Yugoslav People's) Army at all, and, if it decides so, it will then say where will they do their military service'.

'Young men from Bosnia-Hercegovina will be conscripted into the Army only if agreement is reached between the Republican Government and the Command of the Yugoslav Army', said Cengic in an interview published by the Zagreb daily VECERNJI LIST today.

He explained that conscripts from Bosnia-Hercegovina could either be sent to barracks in this republic or to the southern Republic of Macedonia.

'The Yugoslav Army is not equally engaged among the warring sides', claimed Cengic and added that he did not receive a proper answer at a recent meeting with the generals as to 'whether the result of the Army's separation of the warring sides is peace or even greater chaos'.

Karadzic Holds News Conference on Bosnia's Setup

AU0509164191 Belgrade Radio Belgrade Network in Serbo-Croatian 1300 GMT 5 Sep 91

[Report by Ljubomir Nikolic]

[Text] One should find a unified solution for Bosnia-Hercegovina according to which each of its people would find the kind of organization most suitable for itself. This is what Dr. Radovan Karadzic, president of the Serbian Democratic Party, said at a news conference today. He also stressed that no one should impose his political will on other people. Here is Ljubomir Nikolic with a report from Sarajevo:

[Nikolic] During the talks Dr. Radovan Karadzic had recently with Alija Izetbegovic, agreement was reached that no people in Bosnia-Hercegovina should impose their political wills on others. According to Karadzic, one should find a unified solution for everyone in this republic, a solution in which every person would find for himself a form of state organization that would suit him best. Izetbegovic told me then that anything is better than civil war, Karadzic said, and added that the Republican Ministry of Internal Affairs and the Ministry of Defense must stop [word indistinct], which are causing upset and conflicts.

According to Karadzic, the cause of the latest conflicts in Brankovac is the prevention of military organs from taking over draftees' files. People in Bosnia-Hercegovina are now taking sides for and against the Serbian-Muslim agreement and for and against the Army, and, if an agreement of the three national parties about the future setup of Bosnia-Hercegovina and Yugoslavia is not

reached as soon as possible, there will be a danger of broader interethnic clashes because, according to Karadzic, about a half-million people in this Republic are armed.

Prof. Nikola Koljevic, member of the Republican Presidency, also spoke about the possible setup of Bosnia-Hercegovina. He rejected the idea of Bosnia-Hercegovina as a civil republic [gradjanska republika] because, in his opinion, this is a way to disenfranchise one people—in this case, the Serbs. This will not be accepted, and the Serbian people will not agree to it, Koljevic pointed out, and added that a compromise must be reached, or that every people should get autonomy wherever they represent a majority.

We must do everything so that every people feels Bosnia-Hercegovina is their own state. People in the Serbian Democratic Party are of the opinion that Bosnia-Hercegovina cannot survive as a unitarian state any longer and ask how it is possible to change relations in Yugoslavia and still maintain the old way of organization of Bosnia-Hercegovina.

The regionalization of Bosnia-Hercegovina would, in fact, mean the legal authorization of the existing situation in the Republic, in which some of its parts—and western Hercegovina represents a drastic example—have not been recognizing the central republican authorities for a long time.

Finally, Dr. Radovan Karadzic expressed his conviction that, if Alija Izetbegovic takes part in The Hague peace conference, he will advocate these stands.

Macedonia

President Gligorov Favors Sovereign Country

AU0509141591 Skopje Radio Macedonia Network in Macedonian 2000 GMT 4 Sep 91

[Text] Kiro Gligorov, president of Macedonia, and Vasil Tupurkovski, member of the SFRY Presidency, met with heads of the diplomatic missions of most European countries in Ohrid today.

President Gligorov today also met with the U.S. Ambassador Warren Zimmerman. In the evening he met representatives of political parties and (?associations) of Ohrid.

Eleonora Karambijevska and Jasim (?Kalencev) report from Ohrid:

[Karambijevska] Kiro Gligorov, president of the Republic of Macedonia, and Dr. Vasil Tupurkovski, member of the SFRY Presidency, received heads of the diplomatic offices of some of the EC countries and other western countries in Ohrid today.

Respected listeners, your journalist is not able to inform you directly about what was discussed in the meeting at the Biljana Villa in Ohrid, where the hosts received the representatives of Germany, Portugal, Spain, Great Britain, and the ambassadors of the United States, Canada, and Australia.

A statement (?will be) issued on the talks, which were also attended by Stojan Andov, president of the Macedonian Assembly, and Nikola Kljusev, president of the Macedonian Government.

Respected listeners, (?as an) illustration of what was said in the talk we will play part of President Gligorov's speech delivered in front of the citizens of Ohrid in the Culture Hall in Ohrid.

[Begin Gligorov recording] The twelve representatives of all EC members states were our guests today, and (?you should have) heard what they said about Macedonia and peace in Macedonia, about its constructive and positive role in Yugoslavia and Europe. [end recording]

[Karambijevska] One can see from the content of the meeting that it represented a contribution to the affirmation of the overall international position of Macedonia and to the furthering of cooperation between the republic with these [words indistinct]. The heads of diplomatic missions expressed special interest in the character of the forthcoming referendum in Macedonia. The hosts stressed the extraordinary importance of the referendum for a sovereign and independent position of Macedonia and its interest in joining a union of sovereign Yugoslav states.

[Kalencev] Speaking in front of the citizens of Ohrid in the crowded Culture Hall about the significance of the referendum, President Kiro Gligorov said:

[Begin Gligorov recording] Among other things, this referendum is being held to confirm this policy and to give us the right tomorrow, and to put us in a position of our choice, to lead Macedonia to a peace conference at which Macedonia will appear as a subject for the first time, and to sit at a joint table with other republics of Yugoslavia and with the 12 European countries. [end recording]

[Kalencev] We will be (?honored) to the extent to which we have [word indistinct] in Macedonia. The decision on [words indistinct] states on which the citizens will vote. At the same time we should be at a civilized level in voting in favor of the European option. It would be funny for the young people if someone told them that they are not Macedonians. Unfortunately, one is still living within walls in the Balkans and is still [words indistinct] young generations. Therefore, the referendum should be the answer to all those who oppose the idea of hearing the voice of the people who live in Macedonia, President Kiro Gligorov said at the end of his speech.